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Transcripts

## THE AMERICAS

# For Now, Governor Bush Is Thinking Re-election

By Dan Balz  
*Washington Post Service*

DALLAS — Wherever he goes, Governor George Bush of Texas wants to talk about his education agenda and a second term in the governor's mansion. But his audiences want to know about the presidency.

It happened here in Dallas the other day, when the governor addressed the Newspaper Association of America, an organization of publishers whose editorial endorsements in 2000 might be handy to anyone interested in the White House.

Mr. Bush, 51, offered a spirited description of his education program, then agreed to take a few questions. Question One: "Have you talked to your mother about the next presidential race?"

The governor, self-deprecating and noncommittal, said Barbara Bush, former first lady, had told him to "stay home and do the job you were elected to do, boy."

"The truth is, I don't know whether or not I'm going to run for the presidency and won't know for quite a while," Mr. Bush added. "That's just something Texas voters will have to factor into their decision."

Six months before the November polls, Mr. Bush appears to be cruising toward re-election. But merely becoming the first governor in the state's history to win consecutive four-year terms is not enough for the competitive son of former President George Bush.

"I want to win and I want to win big," he said in a recent interview.

Governor Bush has much to prove with his re-election campaign beyond winning a second term. Republicans and Democrats around the country

will be looking at the size of his victory margin and the length of his cruises, as well as the clarity and sophistication of his message, as they measure him for a possible presidential campaign.

He faces a political balancing act as he looks toward November. Mr. Bush hopes to stoke Republican rumour in hopes of pulling off a historic sweep by the party of the statewide constitutional offices even as he projects himself as a champion of bipartisanship who works comfortably with Democrats in the legislature.

Mr. Bush is trying to demonstrate that a Republican candidate can reach out to moderate swing voters without infuriating conservative activists who dominate his party. That effort underscores the current state of the Republican Party nationally, which is dominated by grass-roots conservatives but has seen its grip on the center of the electorate erode.

The unanswered question about Mr. Bush is whether he represents a return to the kinder, gentler conservatism of his father that often infuriated the party's right wing or a new hybrid that reflects the ideological changes within the party without losing sight of the middle of the electorate.

As Paul Burk, a writer for Texas Monthly, put it: "What's he for? What's his agenda? What does this agenda tell us about how he will run for national office?"

Mr. Bush bristles at suggestions that, in putting together his agenda, he has borrowed from President Bill Clinton's centrist, small-bore playbook, and yet the governor emphasizes the same kinds of issues, from reading and educational standards to keeping guns out of the hands of teenage gang members.

He chalked up Mr. Clinton's domestic policy

successes to the president's willingness "to try to sound like a governor." Conscious of where the balance of power rests inside his party, he said of his own agenda, "I don't think this is playing closer to the center."

Recently, Mr. Bush was in Longview, Texas, to pick up the endorsement of a group of East Texas sheriffs. Most of them were Democrats, and Mr. Bush noted that their support symbolized the political evolution of the state and his bipartisan style of governing. The sheriffs were arrayed behind Mr. Bush in a classic campaign photo op, most of them wearing white cowboy hats, boots and pistols on their belts. If ever a political event cried out for a tough anti-crime message, this was it.

But when the inevitable question came from a reporter about the governor's plans for addressing crime, Mr. Bush offered up an answer rarely heard in Republican circles. "The best crime bill," he said, "is to teach every child to read."

Answers like this sometimes make Mr. Bush sound like a Republican Clinton and his campaign ads trumpet the same values of "opportunity" and "responsibility" that were hallmarks of Mr. Clinton's presidential campaign.

But Mark McKinnon, who worked for Democrats before joining the Bush campaign this year as media consultant, said that while Mr. Bush and Mr. Clinton use similar themes, he noted that there is a "much heavier moral tone" in what Bush is saying.

Morality is a theme Mr. Bush often uses in his speeches, both in Texas and on his limited forays outside the state. As he put it in a speech at Texas A&M University last month, "It is clear today's challenge lies not so much outside of our borders as inside of our own souls."



UNABOMBER SENTENCED — Theodore Kaczynski entering court in Sacramento, where he received four life terms Monday. He showed no remorse and called the case "clearly political." (AP)

## POLITICAL NOTES

### Republicans Push Tax Revolt

WASHINGTON — The taxpayer abuse hearings that Senate Republicans held last week were designed to show that the Internal Revenue Service is out of control. And with tales of tax agents in flak jackets storming houses and forcing teenage girls to change their clothes at gunpoint not leavened by any testimony from the accused IRS agents, the case seemed overwhelming.

But the hearings were just another step in a much larger strategy by Republicans in Congress who have vowed to replace the income tax system with a new tax code.

The Republicans want nothing less than "to pull the current income tax code out by its roots and throw it away so it can never grow back," Representative Bill Archer regularly tells audiences. Mr. Archer is chairman of the Ways and Means Committee, where tax bills originate.

In March, Senator Tim Hutchinson, Republican of Arkansas, introduced a bill, which quickly found many co-sponsors, that would repeal the Internal Revenue Code beginning in 2001. The Republicans want to eliminate taxes on capital gains, dividends, rents, royalties and interest. Doing so, they say, would bolster savings and investment and help the economy. Opponents say eliminating such taxes would mainly benefit the wealthy. (NYT)

### An Oklahoma 'Stealth' Plot?

WASHINGTON — The contest for the 3d Congressional District of Oklahoma, considered one of the most important House races in the country, has erupted into partisan feuding, with Democrats accusing Republicans of conspiring to front a Democratic "stealth" candidate who would promptly switch parties after the election.

Representative Wes Watkins represented the predominantly Democratic district for 14 years as a Democrat, switched parties in 1996, and was easily elected as a Republican. Last week, Mr. Watkins announced he would not seek re-election for health and family reasons, giving Democrats new hope that the seat can be returned to the left side of the aisle.

In the past week, several Democrats have announced their candidacy or expressed interest in the seat. But no Republicans have come forward, fueling talk that the Republican Party and Mr. Watkins have figured out another way to skin this cat.

"Can I prove it in a court of law? No," said the state Democratic chairman, Robert Kerr 3d. "But every bit of my experience tells me I am right."

Leslie Belcher, a spokeswoman for Mr. Watkins, said that the charge was "laughable." (WP)

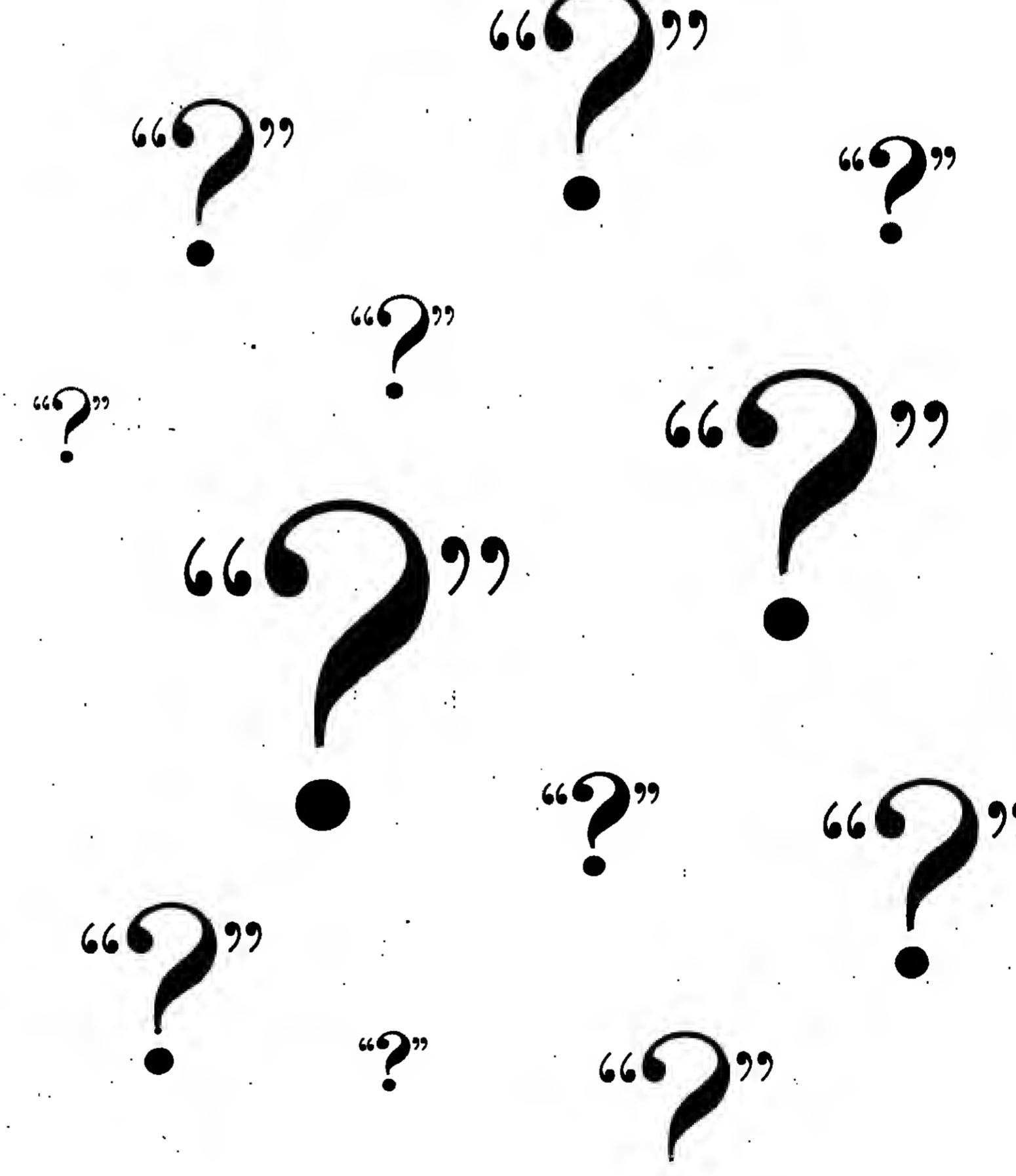
### Quote/Unquote

Michael McCurry, President Bill Clinton's spokesman, on a report that he will leave the White House for some part-time public relations work at Powell Tate along with an academic position at his alma mater, Princeton University: "That would be news to Powell, news to Princeton and news to me." (WP)

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## INTERNATIONAL

**Uses of French: Nigeria's Crash Course in Language Raises Eyebrows Abroad**By Howard W. French  
*New York Times Service*

LAGOS — Every school day begins with songs in the suburban Lagos elementary school classroom of Eniola Akinoshio, who leads her tentative-sounding pupils through a collection of happy jingles to build their confidence before moving on to trickier matters like spelling and grammar.

"Répétez après moi," Miss Akinoshio, 42, a teacher at the Ikafo International School in the Lagos suburb of Agege, says, smiling as she points to pictures of common objects that she is teaching her students to identify. "Le stylo, le pantalon, la chemise, le livre."

Drills like this take place every day in schools all over the world, of course. But what makes Miss Akinoshio's class remarkable is that the French vocabulary that she was teaching — the words for pen, pants, shirt and book — is part of a crash effort declared by the government to make this

English-speaking country of as many as 115 million people French-speaking virtually overnight.

As with most things in a country ruled by a stern military dictatorship, the new language policy was decreed from on high.

"Nigeria is resolutely launching a program of national language training that will, in short order, permit our country to become thoroughly bilingual," the president of Nigeria, General Sani Abacha, said in a surprise announcement in December to a speech before the Nigerian Institute of International Affairs.

Ever since, schools have been scrambling to find qualified French speakers to teach the 18 million primary and 5 million secondary students.

"This is all part of preparing Nigeria for the challenges of the 21st century," said Education Minister Alhaji Dauda Bimbi, who said he was fresh from his morning French lesson when a reporter called at his office. "The world is constantly getting smaller, and people must find ways to open up to their neighbors."

For all of the progressive resonance in explanations like these, among Nigerians, Africans from neighboring countries and Westerners who do business here, skepticism abounds.

Few, for example, say they can imagine how the country's education system — once one of Africa's best, but now in a state of advanced decay — could manage the kind of colossal effort required to make even a modest dent in the linguistic habits of a population so large. By one calculation, Nigeria has about 3,000 teachers capable of French instruction, or only 1 for every 266 students.

And almost everyone wonders how the pushy giant of this region, a nation that has always condescended toward the small French-speaking countries that encircle it — and has always been regarded with abiding suspicion by them — could have come to such a change of heart.

"Even if it begins to amount to something, which is doubtful, very few people in this region are likely to be seduced by this move," said a senior diplomat from a neighboring French-

speaking country. "In fact, it has almost nothing to do with us, and everything to do with Nigeria's place in the world."

Seen from this perspective, and it is a commonly held one, the general's decree is part of an effort to ease international pressure on an isolated and ostracized military government, to reward friends and punish critics and, most of all, to remind any who might have forgotten that oil-rich and populous Nigeria does and will always count.

Judged by these criteria, the language policy has already proved something of a success. Unwelcome to the West because of his government's poor human rights record, General Abacha was nonetheless granted a one-on-one meeting with President Jacques Chirac of France at a French-African summit meeting in Burkina Faso in December.

France has long been seen by Nigeria as its major rival for influence in West Africa, and Nigeria has traditionally ridiculed former French colonies for an almost servile attachment to Paris.

But attending a French-African summit meeting for the first time was only one card in the Gallic hand that General Abacha has been playing. International oil executives say that the Nigerian government, snarled from limited economic sanctions pushed mainly by the United States and Britain, has also begun rewarding lucrative contracts to French oil companies.

But for Paris, General Abacha's sudden love of French may prove an even more powerful draw than business interests. France is still smoldering over recent decisions by Algeria, Rwanda and Congo to downgrade French from the status of national language or make it share the honors with English. Congo, formerly known as Zaire, is the world's second most populous French-speaking country, after France itself, and as such is a key to France's cultural and political project of drawing French speakers together under its leadership.

Nigeria dwarfs Congo in population and is roughly twice as populous as France, making its adoption of French a major coup.

**Mexico Tests Democracy, Starting With a Tricolor**By Molly Moore  
*Washington Post Service*

MEXICO CITY — Democracy in Mexico has come to this: a knock-down, insult-slinging, reputatio-bashing fight over flag colors.

For nearly seven decades, Mexico's governing political organization — the Institutional Revolutionary Party, or PRI — has hoarded the national colors as its own, barring opponents from using the green, white and red of the flag on campaign banners, stickers or placards.

Now, opposition parties have won enough political clout to wage war over the national banner. In one of the most raucous legislative sessions since opposition parties claimed a majority in the lower house of Congress last summer, the Chamber of Deputies voted Thursday to ban any political party from using the national colors as its own.

"Deputies Vote to Decolorize the PRI," a headline blared the next morning. "Opposition Breaks the Myth of the Untouchable Colors."

For the growing voices of opposition, nothing symbolizes the governing party's abuse of power more than its control of the national colors. In a nation with a large illiterate population, voters traditionally have used a party's colors to match their votes to the party's candidates on the ballot.

Opponents say the PRI's use of the nation's official colors only served to reinforce the image of a ruling party and a government that have been virtually indistinguishable for most of this century.

"The time has come to tear down the monopoly," said Pablo Gomez, a deputy representing the Democratic

Revolutionary Party, a left-center party, which uses a black Aztec-style sun against a yellow backdrop as its party symbol.

An Institutional Revolutionary Party deputy from Veracruz state, Fidel Herrera Beltran, said: "They want to wipe out the colors as if symbolically they were getting rid of our party."

Although the opposition-supported law is likely to be voted down in the Senate, which is still controlled by the governing party, a National Action Party deputy, Francisco Paoli Botto, warned: "One day the Senate will also be plural and democratic."

The power of the governing party, which has been battered by revelations of corruption and political abuses, has eroded in recent years as increasing numbers of opposition politicians won statehouses and local elections.

This past week's legislative debate exemplified many of the characteristics of a multi-voiced democracy. Deputies hurled insults across the chamber floor, governing party members waved tricolor placards and delegations burst into chants to try and drown out the speeches of opposing colleagues.

"Usurpers! Traitors to the country! Manipulators!" opposition party members screamed during the debate.

The vote split straight down party lines, with the 244 members of the opposition parties in favor of the new law, and 224 PRI members opposed.

When the vote had been tallied, a Democratic Revolutionary Party deputy, Jose Luis Gutierrez, declared it "an act of justice and patriotic vindication." Mr. Herrera Beltran of the PRI countered, "It's a fiasco!"

**French Admit Hiding Algerians' Toll in 1961 Protest in Paris**

The Associated Press

PARIS — French authorities hid the true scope of repression after Algerian demonstrators in Paris were beaten, shot and thrown into the Seine during a protest in 1961, according to an official study that was made public Monday.

The Interior Ministry study was compiled from police records and said that "dozens" of people — not the usual toll of a handful — probably died on Oct. 17, 1961. At the time, France was fighting an independence war in Algeria.

The study said that Maurice Papon,

who was Paris's police chief at the time and who was convicted this year of crimes against humanity during World War II, issued a memo saying that flagrant offenders "should be shot on sight."

Up to 25,000 Algerians, responding to a call by their country's National Liberation Front, were demonstrating in Paris to protest a curfew on their community when the police opened fire and beat protesters, some of whom were tossed into the Seine.

French authorities at the time said that three persons died. The death toll was

later given as seven. "It's clear that this demonstration led to very harsh repression," the study said of the events a year before Algerians won their independence.

No exact death toll was given, but the names of 25 people killed around the time of the crackdown were published.

The study said authorities "could not rule out" that they, and others, were also victims of the crackdown.

Some historians say at least 200 people were killed. The Algerian resistance said that as many as 300 died.

French authorities at the time said that

they do not yet understand the cacao tree

seems particularly vulnerable to pests.

Walter Rodriguez, president of a cacao-growing cooperative of small farmers in Costa Rica, said that in Costa Rica, the fungus monilia has been a devastating problem. "In 1978, '79, when monilia came," he said, "the trees remained but the harvest disappeared. As a product, cacao almost disappeared."

A shift away from plantations could prove a boon to small farmers and also help preserve rainforests and the many plant and animal species that appear to flourish in the natural environment of a cacao grove. But the task of designing the small-scale cacao farm of the future is daunting because little is known about how best to grow the trees.

The cacao tree evolved in the New World tropics under the shade of taller rain forest trees. After six years or so, the slow growing tree produces fruit, large pods about the size and shape of a small football that contain about 40 cacao beans, each the size of a lima bean. They can be roasted, ground and mixed with sugar and milk to produce chocolate.

But for reasons that researchers say they do not yet understand, the cacao tree

continues from Page 1

deploy Russian-made S-300 anti-aircraft missiles this summer.

Turkey has threatened to take action to prevent the missiles from being deployed. Greece has warned that it would come to the aid of Cyprus in the event of a Turkish attack, raising the specter of a military clash between the two countries. Both are members of the NATO alliance.

■ **'Deal-Breaker' Was EU Issue**

*Kelly Couture of The Washington Post reported from Nicosia:*

The Turkish side's demand that the EU application be withdrawn was the "deal-breaker," a source close to the talks said.

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## EUROPE

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## Breaking the Toxic Chain

Spain Tries to Limit Damage at European Marvel

By Richard Boudreax  
*Los Angeles Times Service*

VILLAFRANCO DEL GUADALQUIVIR, Spain — As storks, egrets and herons swoop over glassy wetlands stretching as far as the eye can see, Jose Antonio Ramos and his fishing buddy, Pedro Reyes, are at the Guadiana River by daybreak. It would be an idyllic outing but for the carnage at their feet.

Wearing gas masks and yellow rubber gloves, the two men walk upstream along the muddy bank gauntling the carcasses of fish, crabs, frogs and eels still dying from a toxic spill that threatens Europe's largest nature reserve.

Hours after the rupture of a mining company reservoir sent a wall of metal-tainted liquids into the river April 25, Spanish engineers threw up sand-and-dirt dikes to divert the flow around the 74,000-hectare (185,000-acre) Doñana National Park, a mecca for bird watchers from around the world.

Now, hundreds of park workers and volunteers have been mobilized to a second line of defense here on the sanctuary's outskirts.

Their task is to scoop up dead creatures from the blackened river before the birds do.

The frantic effort has jolted Spain from what environmentalists call official laxity in dealing with threats to nature. As a belated cleanup began this weekend, the ecological crisis was being described as the country's worst, because it could spell incalculable losses not only to farmland and human health but to 40,000 species of migratory birds.

Nearly 5.5 million cubic meters (7 million cubic yards) of waste water rushed through a 45-meter breach in a collapsing reservoir wall, enough to fill more than 1,500 Olympic-size swimming pools. That made it one of the largest toxic spills from any mining reservoir in recent years.

Spanish government officials say a seven-layer of toxic mud now covers 3,600 hectares of rural land, including rice paddies, tono fields, olive orchards and cattle pastures. They estimate commercial losses this year alone at \$10 million, spread mainly among 2,000 small farmers in one of Spain's poorest regions.

"The polluted water has been more or less controlled, but now there is a natural channel of toxicity into the national park through the birds themselves," said Alejandro Sanchez, director of the Spanish Ornithology Society.

"They are being attracted to the new mud with all its dead fish and frogs and crabs," he said. "Yet each one of these is a piece of poison. A chain of toxicity will build up in the park. It's very likely that many species will be affected in the next week or two."

Working in pairs from dawn to dusk, the masked men of the marshes clear as much of the contaminated 40-kilometer (25-mile) stretch as they can each day. The area, just west of Seville in southwestern Spain, echoes with shotgun fire as the cleanup crews try to scare birds away from the poisoned fish.

So far, the workers have collected 20 tons of fish carcasses, but new ones turn up daily.

In addition, environmental workers say they have picked up several dead birds and recovered 715 eggs from 23 nests abandoned along the poisoned riverbank. On Saturday, a cleanup man found a cool stuck in foul mud, laid him gently in an open garbage bag and stood on the river road begging a ride to any shelter that could save the bird.

Toxins passed from fish to birds are not the only hazard. Unknown quantities of poison have filtered into the ground and may be seeping via subterranean streams into the park's soil, environmentalists say. Meanwhile, the diversion of the polluted Guadiana deprives the park's delicate marshes, fens and sand dunes of their main water supply.

Also, specialists warn that an unchecked flow of toxins — lead, zinc, arsenic, cyanide and other heavy metals from the mine reservoir — could make its way into the soil into crops, contaminating the food chain and raising the risk of cancer and neurological diseases in humans.

The repercussions of this spill will last for eternity over thousands of hectares," said Angel Martin Munoz, president of Spain's Royal Academy of Exact, Physical and Natural Sciences.

The disaster came suddenly. Boliden Ltd., the Canadian-Swedish company that owns the mine, has claimed that a "seismic shift" caused the reservoir wall's sudden collapse, although local geological institute said it recorded no earth movements.

The company has agreed to pay for the cleanup and compensate farmers for their losses — a figure that may be determined in court.

Demonstrated along with the company, Spanish authorities have been criticized at every turn for their handling of the mess. Spanish newspapers question why toxic waste is stored so close to a nature preserve and why nothing was fixed after a fixed Boliden engineer reported fissures and toxic leaks in the reservoir wall three years ago.

"Compared with the rest of Western Europe, Spain has been slow to industrialize and slow to value its environment," said Juan Lopez, a Spanish agronomist who works for Greenpeace. "This reservoir was built in the late 1970s, when people's political awareness was very low. Even today, Spain is not so crowded and has a lot of nice wilderness. Until this spill, there was no sense of alarm about losing any of it."

For five days after the spill, the conservative government in Madrid and the Socialist regional authority in Seville quarreled over who was to blame and what to do about it. At one point, regional authorities refused to help when a makeshift federal dike set up to divert the poisoned Guadiana into the larger Guadalquivir River and out to sea collapsed.

Under sharp public criticism, the two sides stopped feuding and began a joint cleanup Sunday, sending 25 earthmovers and trucks to start clearing away contaminated mud. Less than a week after declaring the national park safe, the environment minister, Isabel Tocino, was calling the spill "an ecological catastrophe of historic proportions."

## Chechnya Investigates Kidnapping

MOSCOW — President Boris Yeltsin's envoy to Chechnya was kidnapped by the same people who abducted a prominent Russian television correspondent and other journalists. Chechen investigators said Monday, indicating progress in their investigation.

"The three crimes were committed in practically the same location," said Supyan Akhmadov, chief investigator in Chechnya's anti-abduction department.

"In each case, the groups traveled without bodyguards, despite orders not to do so," he told the Interfax news agency.

The envoy, Valentin Vlasyuk, was kidnapped at gunpoint Friday near the border between Chechnya and the neighboring region of Ingushetia. No one has claimed responsibility for the abduction or made any demands for the envoy's release. (AP)

## Leben retten können



BUCKLE UP — Michael Schumacher, left, the champion Formula One motor racer, and Matthias Wissmann, the German transport minister, testing a crash simulator in Bonn on Monday at the start of a campaign to encourage drivers to wear seat belts. (Reuters)

## Havel, 'Better,' Begins Signing Papers

INNSBRUCK, Austria — President Vaclav Havel of the Czech Republic, feeling "better and better," according to a spokesman, sat up Monday to perform his first official state function since his most operation — approving the appointment of seven generals.

A spokesman said that Mr. Havel, who is scheduled to return to Prague on Wednesday, had a surgical pipe removed from his throat. It was inserted to assist breathing after a tracheotomy.

The 61-year-old president underwent emergency surgery in Innsbruck when a perforated intestine cut short his vacation on April 14. As well as the repair of the intestine, he was treated for an abdominal abscess and given a tracheotomy to help him breathe.

The former dissident playwright was operated on for lung cancer in December 1996 and has spent several periods in hospitals since then for health problems linked to his five years in prison under the former Communist regime. (AP)

## German Rightists to Run in Another State

BONN — The party that last week scored the best election result for the far right in Germany since before World War II said on Monday that it would run in another regional election in the east of the country.

The German People's Union, which won 1.3 percent of the vote in Saxony-Anhalt last week, said it planned to put up candidates in Mecklenburg-Vorpommern, another of Germany's poorest states.

The party, which fed on mass unemployment and widespread economic misery in Saxony-Anhalt, said it was confident it could repeat its success in Mecklenburg-Vorpommern, where recent voter surveys give it as much 16 percent support. The state election is scheduled Sept. 27, the same day as the German federal election. (Reuters)

## No Witnesses in Louvre Theft

## Guards and Visitors Questioned About Missing Corot

Agence France-Presse

PARIS — The French police were questioning both museum guards and tourists Monday to try to determine how a thief managed to make off with a painting from the Louvre in daylight without being noticed.

The police were also checking reports that there had been no guard on duty near the missing painting, despite stepped-up security measures that were announced three years ago after a theft at the large museum.

"Le Chemin de Sevres" by Camille Corot, a 19th century French master, was cut from its frame behind a protective glass panel between 1:15 P.M. and 1:45 P.M. on Sunday, when thousands of visitors were present.

After initial questioning of

both guards and visitors, investigators said there were apparently no "direct, reliable" witnesses to the theft of the Corot.

When the empty frame was noticed, authorities closed the doors to the Louvre and searched all visitors before they were allowed to leave. But the 34-by-49-centimeter (13.4-by-19.3-inch) painting was not found.

The landscape of a country lane under a clouded but luminous sky was valued for insurance purposes at 8 million francs (\$1.3 million), said a museum official, Christophe Monin.

Its location, in a room at the end of the French painters' circuit on the second floor, meant that it was not under video surveillance or hooked up to an alarm system, said the museum director, Pierre Rosenberg.

The police, including a special art theft squad, said they were looking into several possibilities, including that of professional thieves

who would sell the painting in Japan or the United States. An "amateur" thief would have trouble selling such a high-profile painting, investigators said.

It was also possible that the painting was stolen by an art lover for his own collection, the police said.

"Le Chemin de Sevres" had been in the Louvre collection since 1902.

Because of his perspective, though not his technique, Corot, who is regarded as France's greatest 19th century landscape artist, is seen as a forerunner of the Impressionists.

The theft was another in a long line at the Louvre, which receives five to six million visitors a year.

The priceless Mona Lisa was stolen in 1911 and was recovered in 1913.

A little known artist, Vincenzo Perrugia, had smuggled it out under his shirt. An ardent Italian nationalist, he said he wanted to return it to Italy.

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## EDITORIALS/OPINION

## Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Boycott Nigeria's Oil

President Bill Clinton traveled to Africa last month hailing the possibility of a new era of democracy and prosperity. Hopeful signs can be found, but countering them is the deepening decline in Africa's most populous nation, Nigeria. To gain credibility for its Africa policy, the administration needs to confront more courageously the tyrannical rulers responsible for Nigeria's decline.

Given the country's oil wealth, its population of 105 million should be among Africa's most prosperous. But, thanks to the corrupt and repressive regime of dictator General Sani Abacha, GDP per capita is \$260 — and going down. The regime's human rights record is "dismal," the State Department reported this year. Legitimate political, cultural and labor leaders have been exiled, imprisoned, assassinated or executed.

The U.S. response has consisted largely of "constructive engagement." Despite a few mild sanctions and rhetorical condemnations, the United States has kept buying Niger-

ia's oil, and oil money is all that keeps General Abacha afloat. The Clinton administration found its rationale for this policy in the general's promise to allow transition to democratic rule this year, after five years of pillaging his own country.

Now the general has demonstrated his contempt for U.S. opinion. He legalized five political parties, and all five nominated him for president. Nigerians demonstrated their disgust when 90 percent boycotted the preliminary election for a legislature of undetermined powers.

Secretary of State Madeleine Albright has said that General Abacha promised "a genuine transition to civilian rule" and "now he must... keep his word." It is clear now that the general is still keeping his word, so the question to Secretary Albright becomes, "Or else, what?" Only an international boycott of Nigeria's oil can put pressure on its military regime and show faith with its people.

— THE WASHINGTON POST.

## Halt Aid to Kabila

It was just under a year ago that Laurent Kabila drove the longtime Zairian ruler, Mobutu Sese Seko, from power. Promising to end 32 years of dictatorship, corruption and incompetence, Mr. Kabila restored the country's pre-Mobutu name of Congo. Eleven and a half months later, far too much of the Mobutu style remains.

While the Clinton administration went out of its way to cultivate Mr. Kabila, he has proved to be a rigid and intolerant autocrat who scores democracy, jails rivals and has stonewalled United Nations investigations of reported massacres of Hutu refugees during last year's fighting.

The latest outrage was the detention last month of a UN investigator and the copying of his confidential files, jeopardizing those who cooperated with the United Nations. Secretary-General Kofi Annan rightly withdrew the investigation after this incident. They will now try their best to continue their work from outside Congo, relying on information already gathered by Western governments on the missing Hutu. The victims are believed to have been slaughtered at the behest of Rwanda's

— THE NEW YORK TIMES.

## Close Useless Bases

The U.S. military force has shrunk dramatically since the end of the Cold War, but the decline in base facilities has not kept pace. From 1989 to 2003, the number of navy ships will have declined by 46 percent but berthing space by only 18 percent, the Pentagon reports. Army personnel will be down by 42 percent, space for training those personnel by only 7 percent. The reason for the lag is simple: Closing bases is difficult politically.

But the cost of maintaining unneeded bases is high. U.S. military spending is flat, and Congress intends to keep it that way. By beginning now the long process of planning and consultations needed to close surplus facilities, the Pentagon could save \$20 billion by the year 2015, according to Defense Secretary William Cohen. Not to act will require an equivalent cut in readiness, weapons procurement or research.

Mr. Cohen is asking Congress to approve creation of commissions that would implement two new rounds of base closings, in 2001 and 2005. Two past commissions worked well; they used objective criteria to prepare a take-it-or-leave-it list that gave each member of Congress a measure of cover from hometown heat. The

— THE WASHINGTON POST

## Other Comment

## The Viagra Debate Begins

Viagra, the new drug to combat impotence, has become something of a pharmaceutical phenomenon. Doctors are writing tens of thousands of prescriptions a day. The great demand is not necessarily an indication of widespread chronic impotence. Doctors report that some potent men seek prescriptions simply in hopes of increasing their sexual performance. Researchers don't yet know whether that goal is achievable.

Many insurance companies are balky at covering prescriptions. Cost is obviously the biggest reason. Also at

— Los Angeles Times.

Herald Tribune

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## Where Whitewater Meets The Asian Connection

By William Safire

**WASHINGTON** — Isn't it awful, spin the Clinton cover-uppers, that Webster Hubbell's wife is included in his indictment for tax fraud? How cruel to squeeze a potential witness by threatening his wife.

But now, thanks to tapes made on a prison phone clearly marked "monitored," we see how Hillary Clinton, worried about her own overbilling, being exposed by a lawsuit by Mr. Hubbell against the Rose Law Firm, was first to ratchet up the pressure on Suzy Hubbell.

Marsh Scott, the Clinton confidante who doles out patronage from the White House office of Bruce Lindsey, has long been the conduit between the Clintons and the Hubbells. Soon after Ken Starr put Webb in jail for stealing a half-million dollars from Rose Law Firm clients, Ms. Scott arranged for Interior Secretary Bruce Babbitt to put Suzanne Hubbell back on the Interior payroll for \$60,000 a year.

"I am the one that bears the brunt of this up here," Mrs. Hubbell tells Webb. "I am the one that has to explain this to Marsh. She says you are not going to get any public support if you open Hillary up to this. Well, by 'public support' I know exactly what she means. I'm not stupid."

For those who pretend stupidity, she means \$60,000 plus fringes from the taxpaying public. As her husband promises to keep quiet — "I will not raise those allegations that might open it up to Hillary" — Suzy responds that Marsh is "ratcheting it up and making it sound like Webb goes ahead and sues the firm then any support I have at the White House is gone. I'm hearing the squeeze play."

She heard correctly. If Webb were to sing about Hillary's "housecleaned" billing records (or what legal sham she may have performed to deceive bank regulators), then Mrs. Hubbell would have to go out and find honest work in the private sector. No zipped lip by Webb, no "public support" for Suzy.

Here is where the Whitewater rip-off intersects with the Asian connection. Mr. Lindsey and Ms. Scott have the job of preventing exposure of Hillary's billings. All three are well acquainted with the big source of overseas Clinton funds: It was from the Lindsey-

Scion office suit that Indonesia's James Riady called Associate Attorney General Webb Hubbell on April 13, 1993.

Follow the sequence of payment to Mr. Hubbell and silence from Mr. Hubbell about Hillary a year later, with the Feds hot on the disgraced Arkansan's trail: On June 21 and 23, 1994, records show Mr. Riady saw President Bill Clinton twice in the White House and also visited Mr. Hubbell twice.

On June 27, Mr. Riady's firm in Hong Kong paid Mr. Hubbell \$100,000. On that Fourth of July, Mr. Hubbell spent the weekend at Camp David with Mr. Clinton, and now he asks us to believe he lied to his closest friend about Rose Law Firm billings.

We know that big money was paid for little work, and that Bill Clinton was on the scene before, during and after the money passed.

Mr. Hubbell's testimony could bring the president down in a heartbeat. But after recommending a light sentence in return for promised cooperation, the prosecutor was outbid; as Mr. Hubbell told his lawyer on the open phone, answers to such questions lead him "down the slope."

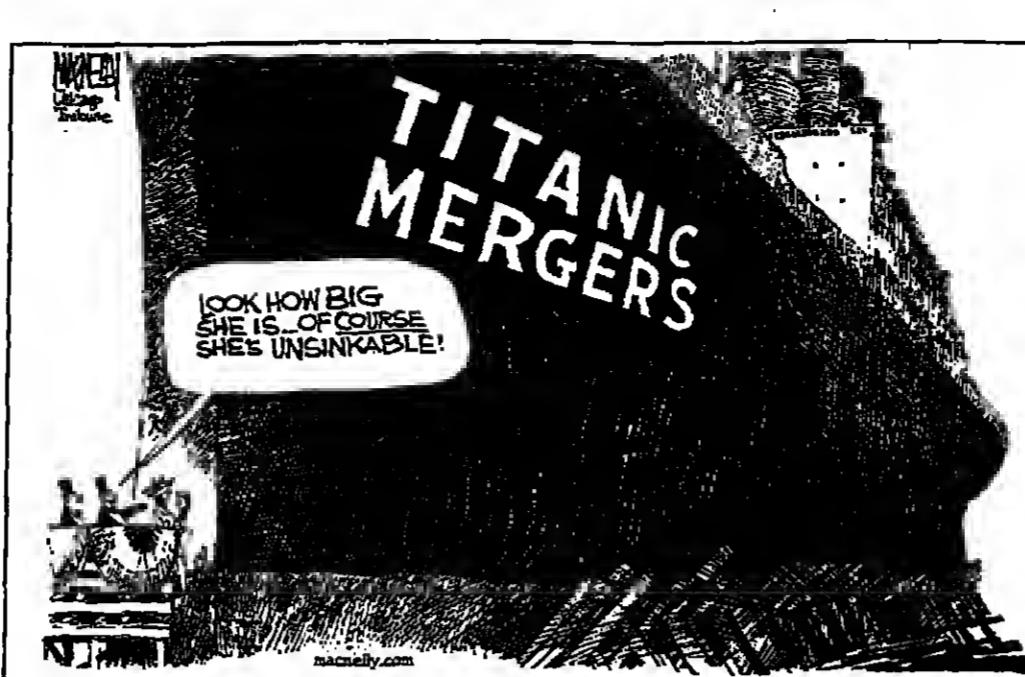
"Safire had a piece," he told his lawyer on Oct. 10, 1996, three days after his Asian connection was revealed in my column. "He's got me making a quarter of a million dollars, which was real interesting. I don't know where he got that ... next thing you know, I'll be on the grassy knoll."

Two days later, Mr. Hubbell told Marsh Scott: "They were saying I made a lot of money, which I wish I had." She replied, "They said about \$250,000, and I said that's off by a few zeros."

It was off, all right, understanding the sun sprinkled on this crook by about \$350,000 — \$100,000 from Mr. Riady and more than a half-million from other hush-a-baby babies, not including Mr. Lindsey's "public support" to Mrs. Hubbell.

The tapes make clear that Hillary Clinton — through Mr. Lindsey and Ms. Scott — put the squeeze on this unfortunate woman to silence her husband. That triggered turnabout time, as Ken Starr now counter-squeezes to get Webb Hubbell to tell the truth.

*The New York Times.*



## LETTERS TO THE EDITOR

### NATO Expansion

*Regarding "Think About Russia" (Editorial, April 30) and "NATO Enlargement: Build a Europe Whole and Free" (Opinion, April 30) by Madeline K. Albright:*

Mrs. Albright's article is intellectually weak and not at all convincing. It is not that critics of enlargement "are cynically assuming that Russia will always define its national interests in ways inimical to our own."

The reverse is the case — and so why enlarge NATO and lead Russia to believe that the West is the one that does not realize "the Cold War is over."

And why, under the circumstances, should East Europeans be entitled to spend billions of dollars when they surely have other things to do with their scarce resources?

Also, it is surprising that neither the editorial nor Mrs. Albright's article discussed the importance of the arms lobby in the NATO expansion debate.

L. BODMER, Zollikon, Switzerland.

It is easy to understand why current plans to expand NATO intimidate Russia. Secretary Albright and others would have more success with Moscow, as well as more support in the United States, if they de-emphasized military spending and bureaucratic enlargement.

Expansion of the North Atlantic Treaty Organization instead should focus on consolidating national militaries. If new NATO member states were to use expansion to actually save on military spending, they could concentrate on other priorities such as education and health care.

However, if the goals of NATO expansion include creating new markets for U.S. military manufacturers and generally expanding a military presence, Russia will remain opposed, as will many in the United States.

ARON P. GOLDMAN, Paris.

In her plea for the expansion of NATO, Secretary of State Albright has inadvertently helped the cause of those who believe that such enlargement is onerous.

One searches in vain in her article for a plausible argument in favor of expansion. Instead, she curiously asserts that the "central issue" in the debate is overcoming objections to the inclusion of nations that were "subjugated in the past."

Mrs. Albright seems to regard NATO as an elite club that should be open to "strong democracies with healthy economies." But NATO, a creature of the Cold War, is a military alliance. To expand it now by including East European countries means spending billions of dollars on modernizing their arma-

ments. For what purpose? Against what threat? Mrs. Albright did not address these truly central issues.

HAROLD H. TITTMANN, Brussels.

### Drug Hypocrisy

*Regarding "White House Won't Lift Ban on Needle-Exchange Funds" (April 22):*

The Clinton administration's refusal to lift the ban on federal funding for needle exchange programs — even as the government's own scientists certified that such programs do not encourage drug abuse and can save lives by reducing the spread of AIDS — sends a very clear message.

This rejection of scientific fact and medical wisdom proves that America's "war on drugs" is based on lies and myths, not on reality. Refusing to prevent needless AIDS deaths demonstrates beyond doubt that drug prohibition has nothing to do with protecting public health.

REDFORD GIVENS, San Francisco.

*Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.*

## Values, Not Science, Spur Global Warming Debate

By Robert L. Park

**WASHINGTON** — I received a note a few weeks ago, urging me to sign a petition card opposing the global climate change accord. So, it seems, did just about every scientist in the United States.

The note was signed by Frederick Seitz, a physicist who once

### MEANWHILE

served as president of the National Academy of Sciences.

An accompanying article that looked like a reprint from the academy's journal explained what we can all do to make this a better world: burn more hydrocarbons.

This was a new concept for me.

Maybe I should crank up the thermostat and trade my fuel-efficient car for a gas guzzler? I wanted to learn more, but there was no letterhead and the return address was a post office box in La Jolla, California.

The National Academy of Sciences disavowed any connection with the petition. The article had not been published in the academy's journal — or anywhere else. Moreover, a study conducted by the academy had reached the opposite conclusion.

If scientists all have access to the same data, why, you might wonder, is there such passionate disagreement? What separates the two sides may not be so much an argument over the scientific facts, scientific laws or even the scientific method, but profoundly different political and religious views.

Most climatologists agree that as a result of increased burning of fossil fuels, the temperature of the Earth has gone up perhaps 0.4 degrees centigrade since the start of the Industrial Revolution.

Climatologists warn that if the

buildup continues, low-lying land

masses, including many of the

world's great cities, may be

flooded in the next century by

rising sea levels as the polar caps

melt. Drastic changes in rainfall

patterns could wreak havoc on

food production.

"Nonsense!" insists a highly

vocal minority. The increase in

carbon dioxide is actually "a

wonderful and unexpected gift

from the Industrial Revolution."

To quote an opinion article published a few months ago in *The Wall Street Journal*, these optimists say that carbon dioxide stimu-

lates plant growth, making the world more lush and productive, and that our unrationed burning of hydrocarbons allows the world to support a larger population — fulfilling the biblical injunction to "be fruitful and multiply."

The great war over global warming, then, is more about values than it is about science. It sounds like a scientific debate, with numbers and equations tossed back and forth. The antagonists themselves may even believe they are engaged in such a debate. But the average scientist is exposed to religious and political views at his mother's knee, long before he is exposed to science.

Such views have a way of occupying whatever gaps are present in scientific understanding. And there are gaps aplenty in the climate debate. There are holes in the data and uncertainties in the computer models, and small changes in the assumptions could result in very different projections.

Both sides acknowledge these limitations. But to allow unlimited growth in greenhouse emissions is a reckless acceleration of a global experiment the industrialized world is already engaged in — the consequences of which are potentially catastrophic.

That brings us back to the petition. The source turned out to be the tiny Oregon Institute of Science and Medicine, based in Cave Junction, Oregon, either.

But when uncertainty abounds, scientific judgment has a way of conforming to the religious and political views of the scientist. As for me, global warming or not, my mother taught me to keep the thermostat down.

*The writer, a physics professor at the University of Maryland, is author of the forthcoming "Voodoo Science." He contributed this comment to The New York Times.*

## BOOKS

### MENDEL'S DWARF

By Simon Mawer. 293 pages. \$23. Harmony.

Reviewed by Robin Marantz Henig

FROM the very beginning of this stunning novel, we know that the narrator, Dr. Benedict Lambert, is a dwarf. But it's hard sometimes to recococle Lambert's voice — sardonic, sarcastic, erudite, incisive, unashamedly clever, and horny as hell — with the brutal facts of his physique.

He possesses a massive forehead and blunt, puglike features. "Lambert writes in the dispassionate third person. "His nose is stov in at the bridge, his mouth and jaw protrude. His limbs are squat and bowed, his fingers are mere squabs. He is one meter, twenty-seven centimeters tall."

Whenever Lambert walks through the streets, people stare. "You get used to it," he says, unconvinced.

But inside this misshapen form is a brilliant mind, and Lambert is a genetic researcher of international renown. Coincidentally, he is also the great-great-great nephew of Gregor Mendel, the Moravian monk who discovered the laws of genetic inheritance in 1865.

Driven not so much by this familial link as by his own genetic disaster, Lambert spends his career searching for the gene for achondroplasia, the form of dwarfism from which he suffers. The gene is autosomal dominant, meaning that anyone who carries it has a 50-50 chance of giving birth to a dwarf.

This makes it an unpopular target for genetic research, since all the real research funding goes into explaining recessive traits like cystic fibrosis.

"Recessives play people's anxieties," Lambert's boss explains. "They can spend a whole lifetime worrying whether they're carriers, and then we come along and offer them a test."

Woven through the novel is the tale of Gregor Mendel, who made his discovery in the course of eight years' worth of work with sweet peas — only to have his work completely ignored during his lifetime. Simon Mawer, an Oxford-trained zoologist, biology teacher and oboelist, knows Mendel's life well, and he tells his story impeccably, embellished with his imagined scenes of Mendel with his family, in his garden and carrying on a fictitious flirtation with Adelaide Rotwang, a luscious young hausfrau from town.

The passages about Mendel's life, combined with clear and cogent information about contemporary genetics, add a richness to the novel, which is at its heart about the vicissitudes of chance as seen through one randomly cruel toss of the genetic dice.

After a tortured lifetime of study, research and unrelenting loneliness, Lambert finally finds the gene he's been searching for. He also finds Jean (the name's a pun), a librarian at the institute where he works. The two have an intense, bizarre love affair when Jean

briefly leaves her boorish husband — an affair that is sexually quite fulfilling. Lambert repeatedly assures us, involving as it does "the one part of me that is the normal size."

When the affair ends, Jean decides to try to fix her childless marriage by having a baby — Lambert's baby, as it turns out, whom she can pass off as the child of her infertile husband. But her plan depends on genetic certainty, something that the reader already knows is impossible. Jean wants Lambert to screen the fertilized eggs that the two of them produce through in vitro fertilization, and then selectively implant only the one that is free of the gene for achondroplasia.

Reluctantly, and out of love, Lambert agrees. But as he peers into the microscope surveying the perfect Mendelian proportions of his progeny — four out

of eight embryos carrying the dwarf gene, the other four normal, "one of Uncle Gregor's ratios" — he faces an ethical crisis.

Although the book falls apart in the last 50 pages, it is overall a remarkable performance.

Lambert's voice is distinctive, unique and often downright chilling; it grabs you by the throat and dares you to admit to your own revulsion, combined with guilty gratitude, when you see him in all his grotesquerie.

And it reminds us, again and again, of how much about us is due to chance, and how little about our genes, even at the dawn of the 21st century, we truly understand.

Robin Marantz Henig, a Washington medical writer, who is at work on a book on Gregor Mendel, wrote this for The Washington Post.

## CHESS

By Robert Byrne

**A**RTASHES MINASIAN, a 30-year-old Armenian grandmaster, won the prestigious New York Open Tournament, which ended on March 22 at the New Yorker Hotel. He was awarded the \$14,000 first prize for his top score of 8-1.

Minasian has a deceptive style, in which he can begin tamely and still hold to a victory by direct attack. This resemblance to the former world champion Boris Spassky can be seen in his defeat of the Bulgarian grandmaster Kiril Georgiev. And his opening choice bears a close likeness to one that Spassky used off and on for many years.

The game started out as a Sicilian Defense, but after 5 f4, it had become a King's Fianchetto Attack, a rather slow, positional development much like a Reversed English. Spassky used to get substantially the same scheme with Nc3 Nf3 g3 and so on.

Instead of 6...Nf6, experience says that 6...e6, followed by 7...Nge7 gives a more reliable defense because it keeps the way open for Black to block the kingside with a timely ...f5, if the need arises.

GEORGE REED BLACK

Position after 39...h5

### KING'S FIANCHETTO ATTACK

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## INTERNATIONAL

# Prodi, Relishing His Success, Thanks U.S. for 'Magnanimity' on Euro

By Alessandra Stanley  
New York Times Service

ROME — When Prime Minister Romano Prodi arrives in Washington on Tuesday for his first state visit, he will be welcomed as the first European leader to visit the United States since the Economic and Monetary Union made its debut in Europe over the weekend, and also as a statesman who has, against all expectations, revealed political skills that rival those of President Bill Clinton.

"Politics," Mr. Prodi said with a convert's relish, "are beautiful."

In an interview, he also praised the United States for its "magnanimity" in supporting the euro, which, he warned, could soon rival the U.S. dollar as an international currency.

"Americans have been very, very generous," he said. "They have flashes of vision. Unlike Europeans, they have understood that long-term

stability and simplicity should prevail over sectional interests of the United States. The euro is in the long-term interest of the United States, but we are building a competitor to the dollar, there is no doubt about that."

Mr. Prodi was so buoyant about Europe — and Italy's up-from-behind inclusion — that he could not help laughing at the dispute over the chairmanship of the European Central Bank, a tussle between France and Germany that largely overshadowed the historic drama of the event.

"Given their grand and marvelous love-hate relationship, did we really expect the French and the Germans to say to each other, 'You first,' and 'No, no after you?'" he said, chuckling. "There is a folkloric aspect to the long-standing rivalry between France and Germany, which can even be entertaining."

Mr. Prodi said he considered that the compromise wrought at Brussels — Germany's choice, the Netherlands, will chair the bank for

four years instead of the previously agreed upon eight-year-term, then turn the presidency over to France — was by no means a serious problem.

"Four years are a century!" he said.

By Italian political standards, certainly, Mr. Prodi's two-year tenure is nothing short of a miracle. His coalition government is the third longest lasting since World War II, and his prediction that he can stay in power until the next parliamentary elections, in 2001, no longer sounds as laughable to Italians as it did even a year ago. But, having cut the deficit, lowered interest rates and begun to reduce the country's staggering public debt in order to qualify for membership in the monetary union, Mr. Prodi now faces a new host of challenges. He must continue to reduce Italy's debt — which at 121 percent of gross domestic product is still double the European limit, while at the same time addressing painful domestic problems, such as a 12 percent unemployment rate, that had mostly been

put on hold while Italy struggled to meet the tight fiscal requirements for monetary union.

Having held their breath for the sake of European membership, Mr. Prodi's partners in his Olive Tree coalition, which is dominated by former Communists, are already grumblng about government plans to trim the bloated welfare state and are demanding a 35-hour work week.

Mr. Prodi, whose approval ratings rose to 60 percent earlier this month, said he was confident he could finesse his opponents and lower taxes and unemployment rates over the next three years. He said that Italians would continue to make the necessary sacrifices to reduce the national debt, but that he was not expecting them to suffer unduly in the coming years.

"I've explained to the Italians that it won't be paradise," he said, "but a nice purgatory with air conditioning and decent toilets."

Mr. Prodi is expected to meet with President Clinton at the White House on Wednesday morn-

ing. Yugoslavia, and the crisis in the separatist province of Kosovo, which is 90 percent ethnic Albanian, will be high on the agenda. Italy, which has strong ties to neighboring Albania, and commercial investment in Kosovo, recently was host to a meeting of the so-called Contact Group, six countries that monitor events in the former Yugoslavia. The group agreed to impose new sanctions if Belgrade did not agree to negotiate.

Mr. Prodi said that Europe and the United States alike wanted to pressure Yugoslavia and Kosovar leaders to negotiate a settlement, but that they differed slightly on "tactics," most notably the American desire for tougher sanctions on Yugoslavia if it rejects peace talks. But Mr. Prodi, whose coalition almost fell apart in April 1997 over his decision to send Italian troops to restore peace in Albania, said Italy had earned the right to speak its mind. "We are fulfilling our leadership role in the region," he said. "We couldn't say that a few years ago."

## Tel Aviv Mayor Starts Centrist Challenge to Netanyahu

By Serge Schneemann  
New York Times Service

JERUSALEM — Pledging to neutralize the power of "religious extremists," Roni Milo, the mayor of Tel Aviv, announced Monday that he was forming a centrist party to challenge Benjamin Netanyahu for the prime ministry in the next national elections in 2000.

Heretofore a member of Mr. Netanyahu's Likud party, Mr. Milo, 48, has migrated in his political career from a militantly rightist member of Parliament to a moderate and champion of the secular resistance to the growing power of Jewish religious parties.

Mr. Milo's break with Likud has been mooted for some time, especially since he and other veteran Likud leaders have been shunted aside by Mr. Netanyahu.

The timing of the announcement, however, was apparently prompted by the fray over a modern-dance ensemble, which dropped out of the 50th-anniversary show in Jerusalem last Thursday after protests from ultra-Orthodox politicians. At a subsequent jubilee concert in Tel Aviv, Mr. Milo denounced what he called "extreme religious censorship" and demonstratively showed videotapes of the controversial dance.

Mr. Milo evidently thought that declaring cow would rally secular voters behind him. He did not suggest a name for his proposed party, and there was no immediate indication whether any major politicians from Likud, Labor or smaller parties would follow his lead, as he evidently hoped.

The initial assessment was that Mr.



Roni Milo announcing his party's formation Monday in Tel Aviv.

environment and minister of police until the Labor victory in 1992.

Mr. Milo then shifted toward the center, and broke party ranks by abstaining on the vote for the Oslo agreements in 1993.

In November 1993, he was elected mayor of Tel Aviv, where he has maintained a political stance much closer to the secular, liberal tone of the city than to the rightist Likud line of Mr. Netanyahu.

At his press conference Monday in Tel Aviv, Mr. Milo focused on the dispute over the Bat Sheva dance group as the catalyst for his decision.

"The religious censorship which was applied by an extremist religious movement on the Bat Sheva performance was a crisis point in the development of the state of Israel," he said. "My aim is to neutralize the leverage of religious extremists, which is used today by a group which is not large, but enjoys great political power."

A politician who made his name as a Likud hard-liner, Mr. Milo successfully managed the election of Yitzhak Shamir as prime minister in 1983. He served as deputy foreign minister, minister of the

cow and has been the focus of the letters and phone calls between Mr. Clinton and Mr. Yeltsin, U.S. officials said.

Last winter, while Mr. Clinton was pressing for continued sanctions and the option of a military strike against Iraq for blocking the United Nations' weapons inspectors, Mr. Yeltsin warned that a U.S. strike at Baghdad could start a world war and appealed for an early end to sanctions. More recently, Russia has opposed the U.S. position favoring stronger sanctions against Yugoslavia as punishment for its bloody crackdown on ethnic Albanians in its Kosovo Province.

In addition, U.S. officials have been alarmed by continued intelligence reports indicating Russian transfers of missile technology to Iran despite assurances by Mr. Yeltsin that he wants to halt such activity.

Officials of Mr. Clinton's administration said these recent episodes reflected long-standing divergences between U.S. and Russian interests, not a Russian backlash against NATO expansion or a sign that Washington's relations with Moscow were suddenly deteriorating.

Rejecting charges of high-level attention, White House officials say Mr. Clinton talks with Mr. Yeltsin more than he does with any foreign leader except Prime Minister Tony Blair of Britain and that Secretary of State Madeleine Albright talks more frequently with Foreign Minister Yevgeni Primakov of Russia than with any of her other counterparts.

The White House's national security adviser, Samuel Berger, is traveling to Moscow this week to prepare for a meeting between Mr. Clinton and Mr. Yeltsin.

willingness to step down after four years only days after saying in a television interview that he would reject any splitting of the term. Parliament sources said legislators were certain to give Mr. Duisenberg a hard time, but that they did not have the authority to overturn the decision by government leaders.

All 15 European Union central bank governors, including Mr. Trichet, supported Mr. Duisenberg for the top bank job. But Mr. Chirac insisted that the appointment be a political rather than technical decision, and he held the rest of the community to ransom for more than 10 hours over his demand that the job be shared between Mr. Duisenberg and Mr. Trichet.

Splitting the mandate, however, would have been illegal under the Maastricht Treaty on European Union. This problem was sidestepped by appointing Mr. Duisenberg for the full eight years but first obtaining from him a

verbal commitment to retire in four years. A spokesman for the European Commission, the EU executive, denied that this fudge violated the treaty. But the president of the European Parliament, Jose-Maria Gil-Robles, said it violated the spirit of the treaty.

"It's a rotten start for economic and monetary union and the euro," said Jaap de Hoop Scheffer, leader of the opposition Christian Democratic Alliance in the Netherlands, which is hoping to win the general election on Wednesday.

Prime Minister Wim Kok came under intense pressure for agreeing to the deal. He said that if he had insisted "it's Duisenberg for eight years or nothing," we would have got nothing.

Mr. Kohl, who has staked his political legacy on achieving economic and monetary union, also backed down in the face of Mr. Chirac's single-minded determination, saying it was one of the most difficult negotiations of his career.

As a result, the chancellor, who faces a difficult election in September, "will not be able to sell the deal to his people and his media," said Alison Cottrell, an analyst at PaineWebber.

Most leaders rationalized that in purely economic and monetary terms, there was nothing to choose between Mr. Duisenberg and Mr. Trichet, both of whom have a reputation of being hard-nosed inflation fighters. Whoever gets the top job cannot operate independently, but must have the votes of the bank's executive board, which is dominated by monetarist hawks. And the bank forms part of a system with the central banks of all the countries in the euro zone.

The French finance minister, Dominique Strauss-Kahn, said the compromise would strengthen rather than weaken the central bank. "We now have assured stability not for eight but for 12 years," he said.

Several European officials blamed

Yugoslavia, and the crisis in the separatist province of Kosovo, which is 90 percent ethnic Albanian, will be high on the agenda. Italy, which has strong ties to neighboring Albania, and commercial investment in Kosovo, recently was host to a meeting of the so-called Contact Group, six countries that monitor events in the former Yugoslavia. The group agreed to impose new sanctions if Belgrade did not agree to negotiate.

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Mr. Prodi, whose coalition almost fell apart in April 1997 over his decision to send Italian troops to restore peace in Albania, said Italy had earned the right to speak its mind. "We are fulfilling our leadership role in the region," he said. "We couldn't say that a few years ago."

## European Unions Warily Greet the Euro

They Fear Fewer Jobs, Lower Wages and Pressure for More Productivity

By Brian Knowlton  
International Herald Tribune

FRANKFURT — It can come as a surprise to hear labor union spokesmen across the Continent expressing only guarded enthusiasm for the single European currency and the streamlined euro. It is expected to bring.

Most economists, after all, agree that monetary union is likely to produce pockets of high unemployment in some regions and industries, at least during a transition period, and lead to acute bouts of labor unrest. Facing difficult times, governments will be unable to lower interest rates or fudge fiscal policy to stimulate economic and job growth. "What will happen when problems occur?" asked Jerome Sheridan, director of the Brussels Center of American University. "Only one thing: unemployment."

Pressure of labor will come from several directions, economists say. A single currency will bolster competition and make it easier for Europeans to compare prices, pushing consumer prices down by perhaps 1 percent to 3 percent. The result: greater pressure for lower wages and higher productivity.

Industries long protected by national subsidies, and workers whose job security has been sheltered behind rigid labor practices, will be buffeted. Some companies, ill-prepared for the storm of competition, will not survive. In a continent where labor mobility is low even within countries, joblessness will soar in some regions even as it recedes in others.

Global competition is already pressuring Europeans to liberalize labor markets, said an official of the European Monetary Institute in Frankfurt, precursor of the European Central Bank. "But the urgency is even larger with a single currency," the official said.

Some companies will shift production from rigidly protected high-wage countries, mainly in Northern Europe, to lower-wage countries in the South.

There's going to be a major shakeout of European industries because of the euro," Mr. Sheridan said. These pressures are likely to converge most fiercely in Germany and France, economists say.

"The old dying industries will suffer," said Kinka Geric, an economist with the nonpartisan Peace Research Institute in Frankfurt. "In Germany you already have a large shipbuilding industry with unemployment of over 20 percent. There will be enormous problems. That's where it's going to hurt."

"The German coal industry," said Alan Watson, European chairman of Burson-Marsteller, in London, when asked where the labor crunch would appear. "I do not think it will survive very long."

David Begg, a University of London economist, said labor pressures would be viewed as a potential ally or a potential threat — has not been entirely answered. U.S. officials sound somewhat boastful in noting that the widely predicted Russian backlash over extending NATO membership to Hungary, Poland and the Czech Republic has not materialized.

There was a premise that was just plain, flat wrong, that NATO expansion will be the last, and many specialists say that the next round could be much more of a problem for Moscow.

In particular, NATO membership for Russia should be a four-letter word in Russia," one senior official said.

But Mr. Clinton has promised that the first wave of NATO expansion will not be the last, and many specialists say that the next round could be much more of a problem for Moscow.

So why do trade unions favor monetary union? It is simple, said Mr. Begg, who is associated with the Center for Economic Policy Research. "Unions are most powerful when their employers have a

big fat pot of money to chase after." The European unions assume that monetary union will enlarge the pot and, equally important, ease currency uncertainties.

IG Metall, the big German trade union, which has 2.7 million members, hopes that a monetary union will lead to "a long-lasting growth process, as in the United States," said Rudolf Welzmueller, an economist at the union's Frankfurt offices.

"We don't expect an increase of employment by the mere fact of introducing EMU," he said. "But we are sure at least that we can avoid losses of employment due to fluctuations of exchange rates."

Emilio Gabaglio, general secretary of the European Trade Union Confederation, agreed that the need to control monetary turbulence is key.

German unions, for example, know that an overvalued Deutsche mark can hurt German exports and jobs. If the EMU should blow up oow," said Gabaglio, "there would be a flight to the Deutsche mark, and German jobs would be left in the window again."

European trade unions have had to take a longer view, said Mr. Gabaglio, whose confederation represents 60 million workers. Despite reservations about the tough criteria for the Economic and Monetary Union, he said, "with 18 million unemployed in Europe, the situation is not tenable."

"On balance," he said, "we believe EMU will be a mid- to long-term positive thing for economic growth."

The short term is less clear.

"Competition is going to get intense," Mr. Begg said. "And workers are going to find life is very different. The labor market is going to have to take much more slack than it has ever been asked to do before."

Jochen Siemens, deputy editor of the

daily Frankfurter Rundschau, predicted a "social crunch in the rich countries, France and Germany."

"Everything is going to be blamed on the euro," he said, "so the challenge will be oot to monetary policy but on the social front."

In the longer term, Mr. Siemens predicts that "the downward pull will be so strong that countries like Germany and France will be left with no choice but to liberalize social benefit, labor practices and so on."

Mr. Watson agreed. "In the short term, it is going to be very tough on the labor market, and I don't think there's going to be any way around that," he said.

He predicted that a grand coalition would emerge to govern Germany after the elections this autumn, with the political clout to push through labor-market reforms. Resistance to reform is expected to be strong, however.

"There is no guarantee that the first-round effects of the euro will be to promote labor liberalization," said Kermi Schoenholz, global chief economist of Salomon Smith Barney, in London.

A cyclical European economic revival is likely to coincide with the introduction of the euro, many economists said.

As a result, said Daniel Gros, deputy director of the Center for European Policy Studies, in Brussels, "I'm very skeptical about reform." A cyclical upturn, he said, could mask the problems of structural high unemployment and postpone tough solutions.

Despite concerns about the short term, most economists and labor specialists were optimistic about monetary union.

"The pie will grow," said Francois Charron, managing partner for European affairs with Andersen Consulting. "Basically, everyone will gain, starting with the man in the street."

**KOHL:**  
Bank Deal Derided

Continued from Page 1

Teams of EU constitutional lawyers had joined negotiations in Brussels to ensure that the deal adhered at least in technical terms to the Maastricht treaty. Speaking in Bonn on his return Monday from Brussels, Mr. Kohl took pains to persuade Germans that the bank can safeguard the euro. Mr. Duisenberg is "a guarantee of stability" at the new institution, he said.

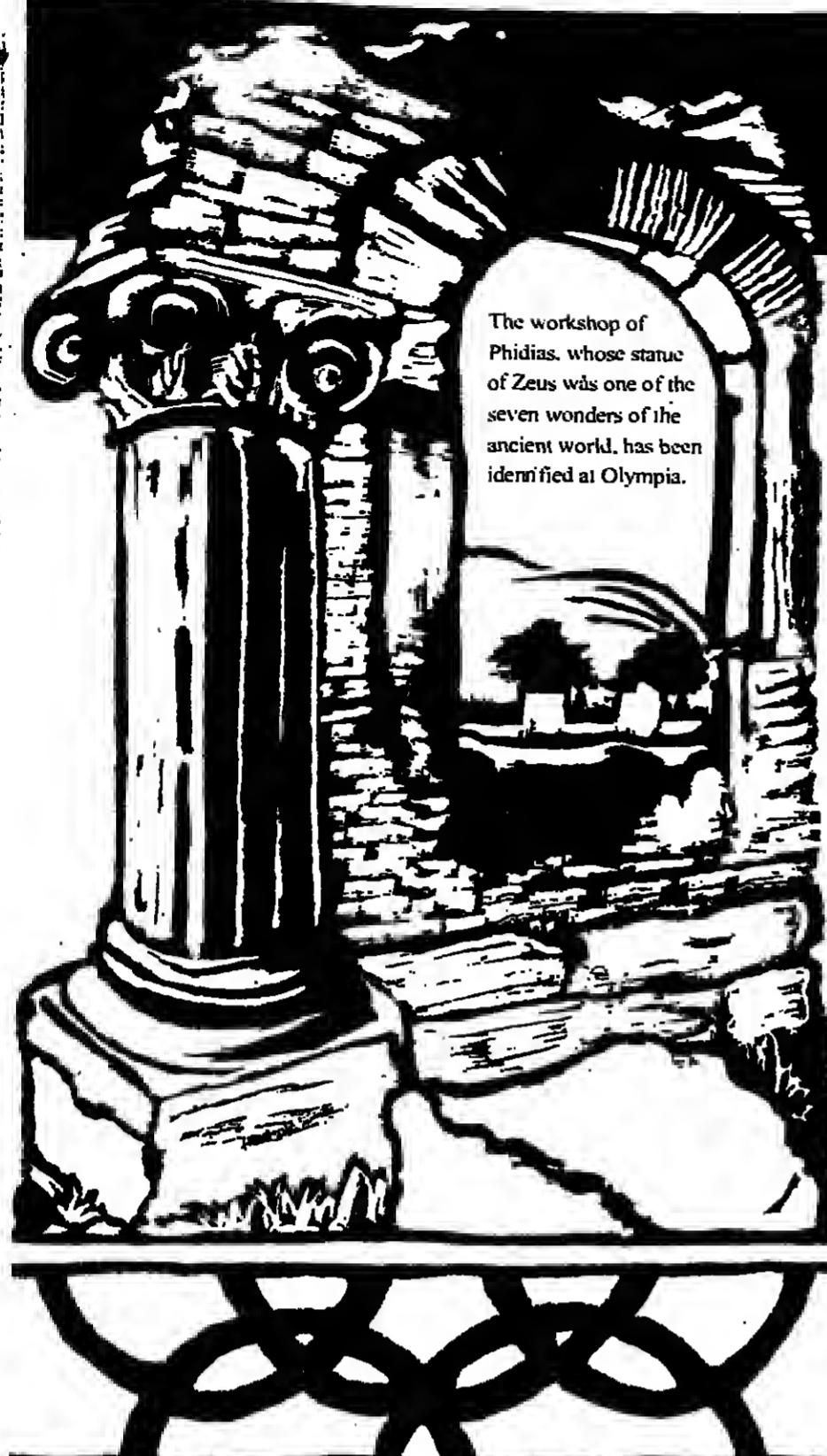
The 68-year-old chancellor said he "must respect" Mr. Duisenberg's voluntary decision to leave the post after only four years for age reasons. He is 63.

"Duisenberg was elected for eight years. It was his decision to leave early. I must respect it. It was a compromise," said Mr. Kohl, conceding at a news conference that the compromise was "not very elegant."

Denouncing the French stance, Mr. Kuehnebuer said that France had damaged the "whole European cause" by pursuing national interests.

The attacks Monday underscored how Mr. Kohl has become politically vulnerable in a matter of 48 hours on the issue of European diplomacy, one of his few remaining strong points in his struggling campaign. Mr. Kohl, the only European leader still in office who was involved in the negotiations on the Maastricht treaty in 1991, has served the driving force of Europe's currency union.

Oskar Lafontaine, chairman of the Social Democrats, said Mr. Kohl no



"DESTINATION GREECE: DOORWAY TO CIVILIZATION" was produced in its entirety by the Advertising Department of the International Herald Tribune. WRITER: John Rigos in Athens. ILLUSTRATION: Karen A. Scheckler-Wilson. PROGRAM DIRECTOR: Bill Malader.

## DESTINATION GREECE DOORWAY TO CIVILIZATION

### HOME OF THE GAMES, SANCTUARY OF THE GODS

*One of the oldest gatherings of nations in the world got its start at Olympia, on the rolling plains of Greece's Peloponnese.*

The workshop of Phidias, whose statue of Zeus was one of the seven wonders of the ancient world, has been identified at Olympia.

**T**he modern Olympic Games marked their first century in 1996. But even after a hundred years of publicity, many people still confuse the games' Greek birthplace, Olympia, with Mount Olympus.

Mount Olympus, the highest mountain in Greece, was according to ancient Greeks the home of their gods. Olympia, the site of the Olympic Games, was connected with the worship of Olympian Zeus, the father of gods (and of many men on the side). Olympia is a majestic, wild, 2,918-meter (9,573 feet) snow-capped mountain. Olympia, by contrast, is a beautiful, serene landscape of rolling hills and plains covered with olive and pine trees on the right bank of the Alpheus River in Western Peloponnese, as the southern part of Greece is called.

"Even if Olympia were not connected with the games, tourists would flock here for its physical beauty," a former mayor of Archai Olympia, the modern town that was created near the ancient site, told a visitor.

**O**nce upon a time Mystery still surrounds the origins of Olympia. Archaeologists cannot tell for sure whether a sanctuary dedicated to Zeus was there before the Olympics began, or whether the holy place came into being after the games were institutionalized. If we accept the surviving tradition, Olympia and the Olympics were a story of "cherchez la femme."

The story goes that there

was a king in that area named Oenomaus, who called young men from all over Greece to compete with him in a chariot race, with his daughter Hippodamia and the throne of his kingdom as prizes. Pelops, a prince from Asia Minor, accepted the challenge and won the race.

Tradition says that he cheated, however, by paying the stableman of Oenomaus to sabotage the chariot of his master. On her wedding day to Pelops, after whom the area was named Peloponnesos, or the island of Pelops, Hippodamia established in honor of Hera, the wife of Zeus, a race for maidens, which gradually developed into races for men and boys.

The games became so important that Greeks used the first Olympics ever recorded, which took place in 776 B.C., to date the beginning of their era, just as Romans used the construction of their city, Christians the birth of Christ, and Muslims the Hegira or flight of the Prophet Mohammed from Mecca. The last of the ancient Olympics, in 393 A.D., coincidentally marked the end of the ancient world. Two years later, the Goths under Alaric invaded Greece, stormed through Olympia and looted the place. The destruction was completed in 426 A.D., when the temple of Zeus was burned. A century later, a series of earthquakes turned the buildings of Olympia into heaps of rubble, and the mud of the nearby rivers covered all traces of the ruins.

The site, called the Altis, or Grove, was excavated for

the first time 120 years ago by German archaeologists. Most of its buildings, including the stadium, have been unearthed. These buildings include the temples of Zeus and Hera, the treasures (small buildings where offerings to Zeus from various cities were kept), the gymnasium and administrative buildings. East of the buildings a stoa, or portico, leads to the stadium where the games were held.

**P**eloponnesos is only 22 kilometers (14 miles) from Pyrgos, the capital of the county, and about 100 kilometers from Patras, the largest city and main port of the Peloponnese.

Patras is the terminal for the shipping lines that cross the Adriatic and connect Greece with the Italian ports of Brindisi, Ancona and Venice. Many cruise ships, however, anchor at the small port of Katakolon, only a few kilometers from ancient Olympia, in order to give their passengers a chance to see the site.

Major tourist agencies organize once or two-day tours of Olympia from Athens, which is less than 300 kilometers away, or three and a half hours by car. Most tourists, however, prefer to include Olympia in a comprehensive four- or five-day tour including Delphi, Olympia, Epidaurus, Mycenae and Corinth, known as the "classical tour."

**M**odern-day meetings Besides ordinary tourists, Olympia hosts every year a large number of sports officials and reporters who participate in seminars organized by the International Olympic Academy, founded in 1961.

During its first six years, the academy operated under the pine trees of the Altis and participants lived in tents. The first buildings of the academy were completed in 1967. The same year, a special committee was formed by the International Olympic Committee to coordinate relations between the academy, the Internation-

al Olympic Committee and the Olympic Movement.

According to Nikos Filaretos, Greek member of the International Olympic Committee and president of the International Olympic Academy, its installations are used for over 40 different activities.

"These include training seminars for sports instructors and members of physical training establishments, postgraduate seminars on Olympic studies, conferences of members of national Olympic Academies, of members of National Olympic Committees, sports coaches, referees and sports officials," he says.

All participants are accommodated in the academy's facilities, where all the meetings, lectures and seminars are also held.

The largest meeting is a two-week seminar for young athletes and sports officials nominated by their national olympic committees, which takes place each year in June. "Each national committee can nominate four participants between the ages of 20 and 35, and it develops into a forum for the exchange of ideas and the cultivation of Olympic ideals," says the president of the academy.

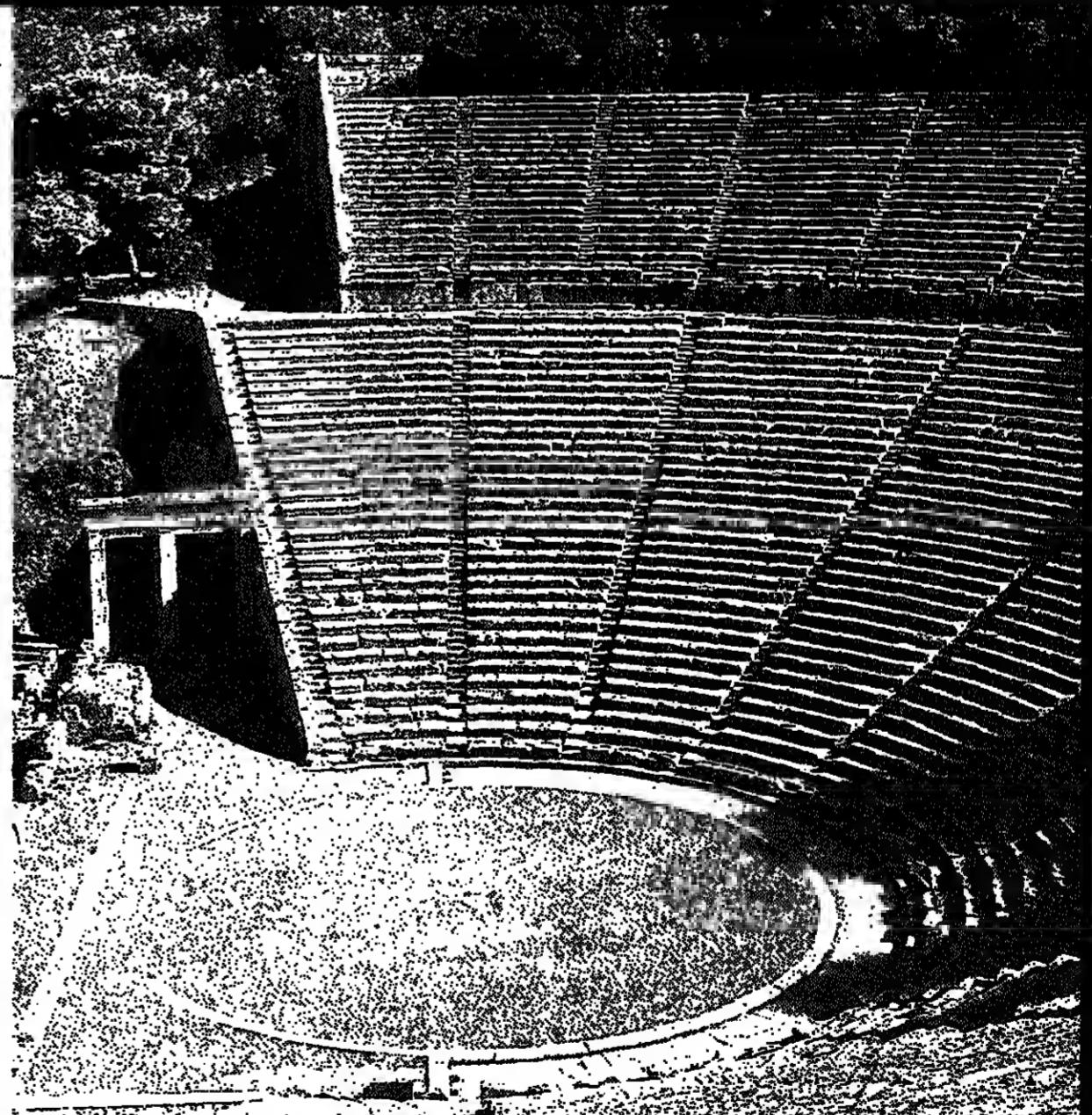
Not far from the academy, on the outskirts of the village, is the Museum of Modern Olympics, which houses mementos of the modern games, including photos, medals, diplomas and stamp collections issued on the occasion of the Olympics.

"It is a place that sports lovers visiting Olympia should not miss," says Mr. Filaretos. •

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## U.S. Insurer Cuts Deal in Malaysia

*AIG Chief's Big Investment Pledge Delays a Sale of Local Unit*

By Thomas Fuller  
*International Herald Tribune*

KUALA LUMPUR — Western companies looking to do business in cash-strapped Asian countries may want to take a page out of Hank Greenberg's book.

Until Monday, Mr. Greenberg, the chairman of American International Group Inc., one of the world's biggest insurance companies, had a problem.

The Malaysian government was threatening to compel Mr. Greenberg's company to sell a large chunk of its Malaysian subsidiary, as part of a World Trade Organization accord on financial services reached in December. Mr. Greenberg, a feisty presence no matter where he does business, had lobbied intensely against limiting foreign insurers' ownership, single-handedly delaying a global trade agreement signed by more than 100 countries.

But the problem was fixed Monday with what might be described as a model deal for Asia's financial crisis, as Mr. Greenberg deployed cash investments in Malaysia's struggling economy while working on his personal relations with Malaysian leaders. During a visit to Malaysia, Mr. Greenberg said that AIG, which is based in New York, would pump as

much as \$2.5 billion into founding construction projects and deflating financial markets in Malaysia and across the region.

He signed an agreement setting up a joint-venture software company to operate in Malaysia's multimedia supercorridor — a high-technology development project dear to the country's prime minister, Mahathir bin Mohamad; and he announced that AIG would give \$1 million to Malaysians studying in the United States who have been hurt by an unfavorable exchange rate since the regional economic crisis started last year.

Mr. Mahathir, in turn, said AIG would be allowed to keep total ownership of its local insurance business for five more years. He called AIG "a very special case" but said the rule would have to apply to other foreign insurers in the country. Aetna Inc., another U.S. insurance company, has also sought more time to reduce its stake in the local unit, Aetna Universal Insurance Bhd., in which the parent company holds roughly 80 percent.

"AIG, I believe, have got lots of money," Mr. Mahathir joked Monday at a signing ceremony for the software company. "We'd like a bit of that money." Mr. Mahathir wasn't just kidding. Last year, AIG company's net profit was \$3.3 billion, one-third of it

from Asia. That was up from \$2.9 billion in 1996. AIG, which operates in 130 countries and has a market value of about \$93 billion, four times Malaysia's annual budget, was founded in 1919 in Shanghai.

Mr. Greenberg has built AIG around his tenacious personality and has run AIG the way ethnic Chinese patriarchs in Southeast Asia have managed their conglomerates around their families. Indeed, Mr. Greenberg's likely successor at AIG is Evan Glenn Greenberg, his second son.

With the deal Monday, Mr. Greenberg did what years of lobbying at the World Trade Organization had failed to do, a success partly attributed to Mr. Greenberg's personal touch in his relations with Malaysian government officials. He is said to be a long-time friend of Mr. Mahathir's and has forged close links with Malaysia's deputy prime minister, Anwar Ibrahim.

In a 40-minute private meeting Monday, Mr. Greenberg and Mr. Mahathir discussed a \$1.5 billion infrastructure fund that would make direct investments in stalled construction projects in Malaysia, as well as other Southeast Asian countries.

"The prime minister told him to take a look at some of the infrastructure

See DEAL, Page 15

## China's Global Trade Undaunted by Asia Crisis

By Seth Faison  
*New York Times Service*

SHANGHAI — It seemed obvious to many economists, just a few months ago, that the sharp currency devaluations rippling across Asia would sap China's fast-growing exports and foreign investment. Buyers and investors alike, it was widely argued, would turn away from China and toward neighboring countries where prices effectively fell overnight.

Yet now, in the clearest indication that China is avoiding the worst of Asia's economic woes, it turns out that foreign investment and exports grew handsomely in the first three months of this year.

Chinese authorities announced over the weekend that actual foreign investment grew 9.7 percent in the first quarter, compared with the like period in 1997, reaching \$8.6 billion. Exports climbed 13.2 percent, according to official figures, reaching \$40.1 billion.

Several economists said the figures bode well for China's ability to resist pressure to devalue the yuan and might also help stabilize China's overall economy, which still looks vulnerable.

Xu Xiaonian of Merrill Lynch & Co. in Hong Kong said he was most surprised by the 10 percent growth in foreign

See CHINA, Page 15

### Thinking Ahead / Commentary

## EU Needs to Make Up With Turkey

By Reginald Dale  
*International Herald Tribune*

ISTANBUL — It is hard to exaggerate the strategic importance of Turkey. A unique secular democracy in the Muslim world, Turkey is the southeastern bulwark of Europe and the Atlantic alliance in one of the planet's most dangerous neighborhoods.

Wedged in the midst of Russia, the Balkans, the Caucasus and the Middle East, Turkey guards the frontier between Christendom and Islam and lies close to vital energy reserves. It is the world's 17th-largest economy.

Yet the European Union, even as it seeks to expand eastward, has made an unholy mess of relations with its long-standing Turkish allies. Recriminations are rife, and serious dialogues between Brussels and Ankara have ground to a bad-tempered halt.

The bitterness among Turks erupted at a conference here organized by New Atlantic Initiative, a Washington-based group dedicated to strengthening trans-Atlantic relations. "Shameless" and "shortsighted" were some of the kinder words used to describe the EU's approach.

At the very moment when EU leaders were celebrating their historic step toward a single currency in Brussels over the weekend, Turkish leaders here were bemoaning what could be their equally historic exclusion from the European family. They have a right to feel betrayed.

The issue is the EU's decision in December to accept 10 countries in Central and Eastern Europe plus Cyprus as official candidates for EU entry without conferring the same



Natacha Andree/IDST

standards on Turkey, which has been waiting in Europe's antechamber for more than 30 years. Turkey, a loyal NATO ally throughout the Cold War, saw itself overtaken in line by former members of the Warsaw Pact.

In this pointless and destructive dispute, neither side is without fault. Turkey's fending politicians have not always behaved with great maturity, and the country's current fit of the sulks is unhelpful. Ankara has, as usual, proved hopeless at its own public relations.

But the European Union should never have allowed things to deteriorate this far. It should have been much more aware of Turkey's strategic importance and political sensitivities.

The EU has not behaved as badly as Turkey makes out. When it gave the go-ahead to membership negotiations with the other 11 countries, the EC went further than ever before to placate Ankara, confirming Turkey as "eligible" for membership and offering to help prepare it for accession.

But the dubious reasons for refusing Turkey the same priority as the rest are distressingly obvious. They include Germany's fears of being swamped by Turkish immigrants over and above the 2 million already living there, widespread reluctance to accept a Muslim country as "European," ill-informed posturing on human rights by the European Parliament and Greek obstructions.

The snub has seriously weakened pro-Western forces in Turkey in their struggle against Islamist tendencies. Now that most Turks no longer care what the European Parliament has to say, the Turkish military feels less compunction about intervening assertively in political matters.

Meanwhile, Washington is elaborating the Europeans for their strategic short-sightedness, and the Europeans are resentful that Americans are trying to tell them whom they should admit to their club.

Europeans have valid objections that Turkey does not yet meet the economic or political criteria for membership. But the current standoff is absurd.

The Turks are not demanding immediate entry. Turkish leaders insist they want the EU only to rephrase its commitment to ultimate Turkish membership to make it "nondiscriminatory." They simply want assurances that they are part of the family.

It should not be beyond the wit of diplomats to provide all that by the time of the EU summit meeting next month in Cardiff, Wales. But the broader political damage will be harder to repair.

The Europeans will have to change their attitude as well as their words. They could start by saying they're sorry.

### CURRENCY & INTEREST RATES

#### Cross Rates

	S	E	D.M.	F.F.	£	DM.	DR.	FF.	S.F.	£	DM.	Yen	DR.	FF.	Yen	DM.	DR.	FF.	Yen	DR.	FF.
Amsterdam	1.00	1.205	1.205	1.205	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	
Buenos Aires	1.00	1.205	1.205	1.205	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	
Berlin	1.00	1.205	1.205	1.205	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	
London (0)	1.00	1.205	1.205	1.205	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	
Madrid	1.015	1.205	1.205	1.205	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	
Milan	1.015	1.205	1.205	1.205	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	
New York (0)	1.00	1.205	1.205	1.205	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	
Tokyo	1.00	1.205	1.205	1.205	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	
Toronto	1.00	1.205	1.205	1.205	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	
Zurich	1.00	1.205	1.205	1.205	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	
1 U.S. SDR	1.00	1.205	1.205	1.205	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	
10-year U.S. Treasury note	1.00	1.205	1.205	1.205	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	1.216	

Closings in Amsterdam, London, Milan, Paris and Zurich. Ratings in other centers: New York at 4

P.M. and Toronto rates of 3.0.M. To buy one dollar: £1.205. DR. = dollar rates. U.S. = U.S. dollar. DR. = dollar rates. DR. = dollar rates.

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## EUROPE

**SAP's Juggernaut Moves Into a Faster Lane**

Reuters

**FRANKFURT** — SAP AG is about to change the face of its executive office, which has been probably Germany's best example of high-tech entrepreneurship.

Dieter Hopp, co-founder and co-chief executive, will step down at the company's annual meeting Thursday from the post he has held since he and three other executives founded the company 26 years ago. But the company itself is laying plans to maintain or speed up its rapid growth pace.

SAP is "among the most important software companies worldwide, and it was done in Germany," said Stephan Schambach, president of Intershop Communi-

for the kind of job-creating companies that have sprung up far more often in recent years in Silicon Valley than in the Rhine Valley.

"What Dieter Hopp did was a wake-up call that said, 'Hey, this is possible in Germany,'" said Joachim Rissmann, chief of Intel Corp.'s Central European operations in Munich. "In his wake there have been a lot of smaller fast-growing software companies. He helped them see that they can start in Germany."

SAP is "among the most important software companies worldwide, and it was done in Germany," said Stephan Schambach, president of Intershop Communi-

cations Inc., a software company in Eastern Germany that is to go public in June. "It tells me and other managers in Germany that software is not necessarily a U.S. product."

Yet, as Mr. Hopp leaves, SAP still faces challenges in reordering its internal structure to maintain growth and in adding thousands of new employees.

Hermann Kagermann, 51, who is to succeed Mr. Hopp as co-chief executive, was quoted as saying Monday that the rapid creation of 15 or more teams to focus on software solutions for specific industries was the company's primary challenge this year. At the same time, SAP plans to add about 5,000

employees to its staff of 13,000. When Mr. Hopp steps down from day-to-day management, he will become chairman of the company's supervisory board, which is responsible for long-range planning.

With 6 billion Deutsche marks (\$3.36 billion) in sales in 1997, SAP is larger than the next four largest enterprise software firms combined.

Its sales last year grew 62 percent, its profit rose 63 percent, and its share price soared from 207 DM to 572 DM. So far this year, SAP's preference shares have risen a further 63 percent, closing Monday at 930, and it is due to list its shares on the New York Stock Exchange this year.

**CHINA: Exports and Foreign Investment Rise Despite Neighbors' Devaluations**

Continued from Page 13

investment as measured by new contracts.

"Despite the massive devaluations in neighboring countries, China is still a favored spot for foreign investment," he said. "We expected falling currencies to make other countries more competitive, but their chaotic economic and political situations make China look relatively stable."

The economy grew at an annual rate of 7.2 percent in the first quarter, below the official target of 8 percent for the year. Although robust by international standards, that rate seems slow in China after years of double-digit economic growth.

Government officials have voiced concern that if the economy slows further, it could cause social disorder. China's wrenching change from a planned economy to a market system has already cost tens of millions of urban workers their jobs.

To avoid such slowdown, Beijing has pledged to spend \$750 billion to \$1 trillion on a vast program of public works projects over the next three years, though some economists have expressed doubt that so much will actually be spent.

But economic planners remain hungry for foreign investment as well. Zhang Shangtang, deputy chairman of the International Investment Research Center in Beijing, told China Business

Weekly. The authorities plan to speed the approval process for foreign investment projects and to resume tariff and tax exemptions.

In the first quarter, Chinese exports to other Asian nations fell, including an 8.5 percent decline in exports to Japan. But exports to Europe grew 35 percent, and those to the United States climbed 14 percent.

Southeast Asian nations that devalued their currencies may have expected to increase exports quickly, but economists say many exporters in those countries have been unable to obtain financing for raw materials, let alone bigger orders.

Aware of possible supply problems, some overseas buyers have been reluctant to switch to Southeast

Asian suppliers. At the same time, Chinese banks have authorized greater lending to domestic exporters.

Looking at China's overall economic outlook, Mr. Xu said he was most concerned about falling demand among consumers, which might be making exports look better than they would otherwise.

"Domestic demand is still weak," he said. "As a rule of thumb, when domestic demand is weak, the external sector tends to perform better, because producers try everything they can to sell overseas."

"Overall, it's a mixed picture," he added. "Eight percent growth is potentially achievable, but the leadership has to act to continue its stimulus package and they have to act quickly."

**DEAL: AIG Chief Wins Delay in Malaysian Unit Sell-Off**

Continued from Page 13

projects around KL which need to be "kick-started," said Alex Lee, chairman of a Malaysian software company who attended the closed-door meeting, referring to Kuala Lumpur. "He didn't actually name the projects but said, 'Some of them you should look at.' Greenberg is going to send some guys down to study them."

Also part of the package was a \$1 billion recovery fund designed to help cash-strapped companies throughout the region. "It'll do things like restructure debt for them, take over some of the debt, easing cash flows," Mr. Lee said.

Mr. Greenberg said it would take two to three months to set up the

recovery fund. The sweetener for Mr. Mahathir was the announcement of a joint venture between AIG and Mr. Lee's company, Software International Corp. The newly formed company will operate from the multimedia supercorridor.

Before the WTO agreement in December, Malaysian law allowed foreign companies to own no more than 30 percent of a domestically incorporated financial-services company. AIG was exempt, however, because it was set up before the ceiling was imposed.

The December agreement raised that ceiling to 51 percent and called on all foreign companies that had stakes higher than 51 percent to divest themselves of the excess holdings. U.S. officials negotiated against

the divestiture clause but did not succeed in removing it.

During the negotiations, Asian diplomats and WTO officials accused the United States of putting the entire deal at risk to protect the interests of AIG.

At the time, officials at the WTO secretariat said that American negotiators were being pushed by the U.S. Treasury Department and the Office of the U.S. Trade Representative at the behest of Mr. Greenberg.

Mr. Greenberg declined to comment on these allegations.

But in a letter to the Journal of Commerce, he wrote, "The goal of the WTO negotiations is to bring about liberalization, not contraction of financial services in world markets."

**WORLD STOCK MARKETS**Monday, May 4  
Prices in local currencies.  
Telekurs

High Low Close Prev.

Amsterdam AEX Index 1917.23  
Previous: 1917.23

ABN-AMRO 53.10 52.10 52.20

Aegon 28.00 27.75 28.40 28.00

Akzo Nobel 42.50 42.50 42.40 42.50

**Monday's 4 P.M. Close**  
The 2,600 most traded stocks of the day.  
Nationwide prices not reflecting late trades elsewhere.  
The Associated Press.

12 Month  
High Low Stock Div Yld PE 100s High Low Latest Chg

A-C

24% 20 AARs 34 12 23 272 270 274 270 +16

27% 19 ABN Amro 52 25 23 24 252 250 254 +16

27% 19 ACE Ltd 52 25 23 17 1252 1254 1258 +16

27% 19 ACM Op 42 23 20 10 104 +16

27% 19 ACO 23 20 18 120 120 120 120 +16

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27% 19 ACN 23 20 18 120 120 120 120 +16

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## Region Struggles Toward an Updated Bankruptcy Code

By Philip Segal  
International Herald Tribune

**HONG KONG** — For thousands of bankrupt Asian companies, battered by financial crises and sorely in need of foreign money, a series of bankruptcy laws being enacted across the region marks only the beginning of what promises to be a long, painful recovery.

Previously burdened with antiquated bankruptcy statutes that presented liquidation as the only real option for troubled companies and discouraged restructuring or new investment, Thailand, Indonesia and South Korea have rushed new bankruptcy laws into place in the last several months at the in-

sistence of the International Monetary Fund.

Their new laws have one key principle in common: to make it easier for insolvent companies to restructure and return to running economically viable businesses. Part of this involves striking a delicate balance, as is the case in the United States and other Western countries, between the right of debtors to take time to reorganize and refinance their businesses and the right of creditors to foreclose on debts that have no reasonable chance of being paid.

But many analysts question whether the bankruptcy laws will work the way they are intended, given the absence of a large body of

experienced judges and lawyers. "How can any of those countries possibly have enough professionals to handle the insolvency problem adequately?" asked Bill Rochelle, who monitors Asian bankruptcies in New York for the U.S. law firm Fulbright & Jaworski.

Since bad banking and poor management were largely responsible for triggering the Asian financial crisis in the first place, the region's companies and bankruptcy courts face a protracted struggle to restructure.

"I see a 10-year process from beginning to end," Mr. Rochelle said.

Lawyers are concerned that too many procedural matters are left to the discretion of judges, who could be more open to delays and corrupt

influences than if stricter procedures and time limits were written into the statute.

For U.S. creditors in Asia, a major concern is "how effective and fair the court systems will be in applying the law," said Larry Engel, a San Francisco-based bankruptcy specialist at the law firm Brobeck, Phleger & Harrison.

When it comes to Indonesia, "the court system is slow and unpredictable and not independent," said Richard Levin, a lawyer with Skadden, Arps, Slate, Meagher & Flom and one of the drafters of the 1978 U.S. Bankruptcy Code. Under Indonesia's new bankruptcy law, which comes into effect in three months, creditors are to gain greater

rights to go after money owed them by bankrupt companies.

In Thailand, which also has a new bankruptcy law, there are similar concerns.

"The court system leaves quite a lot to be desired," said Simon Walker, an international partner with O'Melveny & Myers in Hong Kong.

"As a foreigner, you can't be sure to get a fair hearing against a Thai."

Among the countries making the most progress on bankruptcy reform so far is South Korea, according to Wilbur Ross, a senior managing director at Rothschild Inc. in New York and one of the leading U.S. buyers of distressed debt. Rothschild has been retained by Halla Group, South Korea's 12th-largest *chaebol*, or conglomerate, and has arranged a \$1 billion dollar loan to help Halla restructure.

After organizing mergers and acquisitions of some of Halla's most viable businesses, Rothschild intends to redeem its loans from future foreign investors.

South Korea's new law "is moving them a little closer to the U.S. model," which allows bankrupt companies three months to propose a restructuring plan, Mr. Ross said.

Until the passage of the new law, there had been no concept in South Korea of what is known as debtor-in-possession financing, which allows distressed companies to reorganize while maintaining control of their assets.

Commonly, under such a system — which is in use in the United States and other countries — investors in the distressed companies gain priority status among creditors.

Without such a rule, insolvent companies found that money was virtually unobtainable, and they tended to move straight into liquidation due to a lack of working capital.

Mr. Ross said Rothschild would soon be closing South Korea's first real debtor-in-possession financing, in which Halla's Mando Machinery division is expected to receive \$20 million in new money, collateralized by accounts receivable.

But South Korea has not established effective rules to govern how long an insolvent company can remain protected from its creditors without proposing a viable reorganization plan.

The new law in Indonesia sets time limits. Mr. Ross said, but provides few sanctions if those limits are not met. "It gives the debtor the time that creditors fear the most: the ability to tie things up in court indefinitely," he said.

### Investor's Asia

Hong Kong		Singapore		Tokyo	
Hang Seng	2000	Straits Times	1700	Nikkei 225	1700
13000	2000	1800	1700	1600	1700
12000	1800	1600	1500	1500	1500
11000	1600	1400	1500	1500	1500
10000	1400	1200	1500	1500	1500
9000	1200	1000	1500	1500	1500
8000	1000	1000	1500	1500	1500
O J F M A M 1997 1998					
Exchange	Index	Monday	Close	Prev.	%
Hong Kong	Hang Seng	10,438.42	10,563.68	+128	+1.2%
Singapore	Straits Times	1,476.40	1,493.40	+17	+1.1%
Sydney	All Ordinaries	2,812.30	2,804.20	-0.29	-0.1%
Tokyo	Nikkei 225	Closed	15,601.10		
Kuala Lumpur Composite	527.43	625.67	+0.23	+3.6%	
Bangkok	SET	460.71	412.13	-2.77	-1.6%
Seoul	Composite Index	391.80	408.50	+3.62	+0.9%
Taipei	Stock Market Index	8,369.68	8,293.46	-69.21	-0.8%
Manila	PSE	2,208.12	2,181.32	-17.20	-0.8%
Jakarta	Composite Index	4,453.94	4,435.55	-9.55	-0.2%
Wellington	NZSE 40	2,297.65	2,283.29	-0.69	-0.3%
Bombay	Sensitive Index	4,135.81	4,006.81	+3.22	+0.8%

Source: Telekurs

International Herald Tribune

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COMPACTED DISKS — A steamroller finishing off 40,000 CDs at a Singapore ceremony organized by the government and the movie, music and software industries.

## Fears of Seoul Unrest Cause Stocks and Won to Tumble

Compiled by Our Staff From Dispatches

**SEOUL** — Threats of tough government action against illegal strikes and demonstrations fanned fears of additional labor unrest and prompted stocks and the South Korean won to fall sharply Monday.

"Investors are worried labor unrest will continue and worsen, as militant unions have threatened to hold mass strikes this month," a Daewoo Securities dealer said. In the absence of government measures to help the market, and with "only negative news coming out," he said, investors "believe the market will fall further."

The Seoul composite index closed 14.73 points lower at 391.80. It was the first time the index had dropped below the 400-point level since Jan. 5, when it finished at 396.49. The South Korean currency also weakened, with the dollar rising to 1,346 won from 1,225 won Friday.

Analysts said a batch of depressing economic indicators announced late in April also boded ill for the market. The National Statistical Office said last week the unemployment rate soared to 6.5 percent in March, the highest since the mid-1980s. Industrial output dropped 10.1 percent from a year earlier, and capacity utilization in the manufacturing sector fell to 65.2 percent from 80.8 percent a year earlier.

"Given the circumstances, the GDP growth will be well below zero for the first quarter of this year,"

said Jwa Sung Hee, president of the state-funded Korea Economic Research Institute.

The South Korean prosecutors' office warned of a crackdown against illegal strikes and vowed to punish organizers of May Day protests that erupted into violence involving about 22,000 workers and students demanding job security.

The riot Friday was the most violent protest seen in South Korea since the inauguration in February of President Kim Dae Jung.

South Korean unions have accused businesses of sacrificing workers and refusing to undertake reform efforts themselves, in violation of a landmark agreement in February about sharing the pain nationally to overcome the economic crisis.

Analysts said workers' discontent is so great that it may stop the situation from deteriorating, said Lee Hahn Koo, president of Daewoo Economic Research Institute.

A statement issued from the presidential residence, the Blue House, on Monday said the government would not tolerate students joining forces with organized labor.

"There cannot be a unified labor-student campaign," a presidential spokesman, Park Jie Won, said.

(Reuters, AFP)

## Canberra Court Backs Rehiring Dockers

Reuters

**CANBERRA** — The 1,400 Australian dockworkers who were fired en masse in April appeared Monday to have won a legal victory after a deal was brokered to get the companies that employed them operating again.

The Australian High Court stood by a lower court ruling ordering the reinstatement of the dockworkers, who were dismissed four weeks ago by Lang Corp.'s Patrick Stevedores unit.

Patrick said it would provide 3.6 million Australian dollars (\$2.3 million) needed to restart operations at four subsidiaries that have been placed in administration, a form of voluntary receivership.

But the court also tied the hands of the accountants appointed as administrators of the subsidiaries, so the units

can be closed if they are not economically viable.

After dismissing the workers April 7, Patrick used private security guards and attack dogs to move them off the docks. It replaced them with 400 nonunion contract workers. Patrick asserted that union labor was inefficient.

The dismissals set off an occasionally violent dispute that stranded goods valued at a total of about 500 million dollars in about 10,000 containers as unionists picketed ports around Australia.

Bill Butterell, one of the administrators, said the first small group of dock workers, members of the Maritime Union of Australia, would be back on the wharves Tuesday morning.

But he said not all 1,400 union members would get their jobs back, because Patrick had closed seven small termini

als. Late last month, the Federal Court, hearing a union claim of criminal conspiracy



**NASDAQ**

**Monday's 4 P.M.**  
The 1,000 most traded National Market securities  
in terms of dollar value, updated twice a year.  
*The Associated Press.*

NYSE

**Monday's 4 P.M. Close**  
**(Continued)**

# INTERNATIONAL Herald Tribune SPORTS

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## WORLD ROUNDUP

### Un Petit Miracle

**ICE HOCKEY** France upset the United States 3-1, in Zurich on Monday at the World Ice Hockey Championships, seriously damaging the Americans' chances of advancing to the second round. France is coached by Herb Brooks, who led the U.S. to its "miracle on ice" — gold in the 1980 Olympics. After this upset, France is in a position to reach the second round.

"I'm happy for the French guys, but I go a long way back in the coaching ranks with the U.S.," said Brooks. "We got some bounces today."

In Basel, Alexei Kovalev scored the first hat trick of the tournament as Russia gained a hard-fought 7-5 victory over Latvia to clinch a second-round berth. (AP)



Jonathan Battiaglia celebrating after putting the United States ahead against France.

### Local Knowledge Helps

**SAILING** Chessie Racing, the local boat, led the Whitbread fleet out of Chesapeake Bay on Monday on the second day of the penultimate leg of the round-the-world race to La Rochelle, France.

The fleet started the leg in Annapolis on Sunday and experienced mostly light head winds as it battled down through the bay's rocky waters. (Reuters)

### Eagles Land for Duval

**GOLF** David Duval made a pair of eagles as he came from five shots back with eight holes to play to win the Houston Open.

Duval shot an 8-under 64 for a 12-under 276 total to beat Jeff Maggert by one stroke Sunday and earned \$360,000 to take the lead in the money list with \$1,240,805. (AP)

### NCAA Fined \$22 Million

The NCAA, which runs top U.S. college sports, was fined more than \$22 million by a federal jury Monday for restricting the earnings of some coaches in violation of antitrust laws. The fine could be trebled because the case is an antitrust lawsuit. (AP)

### FBI Watched Mantle

**BASEBALL** The FBI kept a file on Mickey Mantle while he was playing for the New York Yankees that shows he was threatened by gamblers and was blackmailed for having an affair, a U.S. television station has reported.

The file contains a report that in 1956 Mantle was blackmailed by an unidentified person for \$15,000 after being caught in a "compromising situation" with a married woman, the station said. A 1963 entry has a source telling the FBI that Mantle received telephone calls from a known gambler. The file also has a 1960 letter to Mantle threatening to shoot his knees.

Wayne Miller, a lawyer for the Mantle family, said: "They were dumbfounded the FBI would be looking into Mickey back in the mid-1950s." (AP)

## Battered by the Sport, Graf May Call It Quits

*'A Bowl of Strawberries, and Then, Good-Bye'*

By Christopher Clarey  
*International Herald Tribune*

Steffi Graf has foisted us often in recent years: winning Grand Slam events with little or no match preparation and despite considerable pain in her back, knees and private life. She was and remains that gifted, but she will fool no one in Paris this year.

On Monday, her representatives were busy finalizing her withdrawal from the French Open because of the latest in a litany of injuries. She already had withdrawn from the Italian and German Opens. Her participation in Wimbledon, where she has won seven of her 21 Grand Slam singles titles, is in question, but what is no longer in question is that the end of one of the greatest careers in sports history is now near enough to justify nostalgia.

Graf conceded as much in an interview published in Germany on Monday. "To play a good tournament in Wimbledon once again, eat a bowl of strawberries and then say good-bye, that would suit me," she told the magazine Focus. "I've come to the point where I can clearly see the end of my career because I have the feeling I'm not making any progress."

Tennis, which had become a refuge during her and her father's long-running tax problems in Germany, could no longer provide a haven. Her most recent appearance was in Indian Wells in March, where in the third set of a remarkably competitive match against Lindsay Davenport she strained her hamstring and had to default. After another forced break, she returned to practice five weeks later and developed swelling in her right ankle.

Graf with a chronically sore back can still play like Graf. Graf with multiple leg injuries cannot.

"I will prepare carefully for the next attempt," she told Focus. "But if I can't establish any continuity in my practice or tournament schedule, I will give up."

If Graf were to retire after Wimbledon or the U.S. Open, her timing would be fine. Women's tennis was once utterly dependent on her brilliance even though the yawning talent gap between her and most of her pursuers did not make for great theater.

But the women's game has grown deeper and more diverse in the last two years. Enough so that Graf no longer has to shoulder all the weight. For a natural introvert like Graf, that is not necessarily unwelcome, and according to those close to her, she is enjoying the game as much as ever.

The problem is that her body won't allow her to play the game much anymore, and Margaret Court's all-time attempt of 24 Grand Slam singles titles, which once looked eminently accessible to Graf, now must look like a nine-foot bar to a high jumper.

Whether or not Graf clears it is immaterial. Her record, her forehand and her fortitude are beyond reproach.

practicing on eggshells. She has been suffering from bone spurs for much of the last five years, and she first missed significant time because of her back in late 1994 and early 1995. Since then, she has had to follow a daily regimen of physical therapy and stretching. That regimen did not keep her from winning six more Grand Slam singles titles, and she even managed to win Wimbledon and the United States Open in 1996 after injuring her right knee during practice. The injury would later be diagnosed as a torn tendon and required surgery after last year's French Open. Since then, she has not played in a Grand Slam event and has played in only two tournaments.

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Tennis has long been a deceptively grueling sport. Anybody who ever attempted to stretch and hit a forehand with a wooden racket knows that it has always been hard on the arm, and the best men's players in the postwar era actually played more matches than today's stars (they also played doubles). But the proliferation of hardcourt events at the expense of grass and clay has put more stress on players' bodies, as have constant travel, the speed of the game and the development of new stroke techniques based on torque and hip rotation instead of fluid, less violent weight transfer.

Despite the quantum leaps in sports medicine, it is telling that shortly after Marcelo Rios of Chile became No. 1 in the men's computer rankings, strained tendons in his left elbow forced him to stop playing for a month. Rios, 22, will return to action this week at the Super 9 event in Hamburg after missing three consecutive claycourt events because of his elbow injury.

"When I came back, it was a little bit sore, but I'm feeling much better," he said Monday. "I'll take it carefully. It was a bad injury."

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WORLD CUP WARM-UP — Linval Dixon, left, a Jamaica defender, tackling Ami Jaber, a Saudi Arabia striker, during a game between the two World Cup teams in front of 500 fans in Cannes. The match ended 0-0.

## Coaches Fired in Paris and Madrid

Compiled by Our Staff From Despatchers

**PARIS** — Although the club season has not yet ended, impatient presidents across Europe started throwing their old coaches overboard Monday.

Alain Giresse was named the new coach of Paris St. Germain on Monday in place of Ricardo, the Brazilian who led the club to victory in both domestic French cups this season.

In Spain, Ruddy Antic was deposed

as coach of Atletico Madrid. He will be replaced by Amigo Sacchi, the former Italian national team coach.

Giresse, a former French international midfielder, is expected to sign a three-year contract. He is now coach at Toulouse, which is struggling near the bottom of the French first division. His appointment raised anew the question of who will replace Aime Jacquet, the French national coach, who has said he will resign after the World Cup. Giresse had been one of the favorites for that job.

"PSG is not a wealthy club for posh people," said Charles Bletry, the incoming club president. "Giresse is a symbol of what we'll be trying to do."

Jesus Gil, the Atletico president, said Antic's departure after four seasons had been caused by irreconcilable differences with the players.

"If the players were looking forward to seeing him go, now they know he's leaving and can relax," said Gil.

Antic led Atletico to its first league title in 19 years in 1996. With just two wins to play this season Atletico is ninth in the league. "It's the best thing

for myself and for the club. These things happen in this job. The soccer world is like this," he said.

Sacchi led Italy to the World Cup final against Brazil in 1994 but has been without a job since being fired by AC Milan last year.

**ENGLAND** Manchester United eased some of its pain at relinquishing the Premier League title by beating visiting Leeds United, 3-0, on Monday. Ryan Giggs, Denis Irwin and David Beckham scored for United. Leeds remained fifth and is likely to gain a place in next season's UEFA Cup.

**ISRAEL** Gavi Levy, the Israel Football Association chairman, said officials were investigating allegations that Hapoel Bet She'an, 3-2. With one game to play, Betar leads Hapoel Tel Aviv by one point. Hapoel Bet She'an is alleged to have thrown the game because its players and fans, like those of Betar Jerusalem, are generally of Middle Eastern and North African origin, while Hapoel Tel Aviv is identified with Ashkenazi (European) Jews.

**WORLD CUP** South Korea is likely to go ahead with a 200 billion won (\$150.4 million) stadium for the 2002 World Cup finals, the Korea Times quoted a presidential source Monday as saying.

The official said a recent poll showed

60 percent of South Koreans favored

building a stadium. Government officials had said that because of the financial crisis the country should seek a cheaper alternative and had suggested that the Chamsil Olympic Stadium in Seoul could be renovated.

South Korea will be co-host of the World Cup with Japan.

• Tickets for seven more 1998 World Cup matches have sold out, tournament organizers said Monday. Those matches are: Colombia-Tunisia, France-South Africa, Italy-Cameroun, Jamaica-Croatia, Netherlands-South Korea, Saudi Arabia-Denmark and South Africa-Denmark. (IHT, AFP, Reuters, AP)

## In Kentucky Derby, a Not-So-Quiet Victory for the Little Guy

By Jay Privman  
*New York Times Service*

these scouts have done the equivalent of twice drafting the league's most valuable player with late-round choices.

"Now the pressure's really on them," Baffert said, referring to the McKenthans. "I don't make a move without these guys."

Real Quiet is a son of the sire Quiet American, whose biggest victory came in the 1990 New York Racing Association Mile at Aqueduct.

His stud fee this year is \$20,000, a moderate price in today's market.

Real Quiet's dam is the mare Really Blue, a daughter of Believe It. She won just three of 21 starts during her racing career and produced five foals before Real Quiet. Her progeny have won a combined five times in 33 starts.

Real Quiet was one of 2,949 yearlings sold in Lexington, Kentucky, at the 1996 Keeneland September Sale, the poor man's counterpart to the glitzy Keeneland July Sale. The average price those horses brought was \$54,978. That year, in all sales in North America, five yearlings cost more than \$1 million, and another 45 cost at least \$500,000. By comparison, Real Quiet's \$17,000 is a pittance. "He toed out pretty bad," J. B. McKeithan said, referring to the way Real Quiet's right front leg makes a detour to the right just below the ankle. "But he travels through it pretty well. From the time he has been in training, he's never had one problem."

Baffert said deciding whether to buy horses such as Real Quiet "depends on how they walk and depends on the price."

"Sometimes you take a shot on a horse like this," Baffert said. "He had the right frame. And now he has filled out."

From the legs up, Real Quiet is an attractive horse. He has a healthy, bay-colored coat with a small white star on his forehead.

Real Quiet has a long back, stands tall and is not as thin as last year, when his narrow frame prompted Baffert to nickname him "The Fish."

The decision to buy Real Quiet was made in a matter of minutes.

Baffert and the McKenthans had positioned themselves behind the sales ring and were scouting the half-dozen horses who were in holding area, ready to be auctioned.

Baffert prefers to buy several moderately priced horses rather than one expensive horse, a strategy that Baffert endorses. "You've got to buy numbers," he said. "All you need is one good horse."

Several Kentucky Derby winners have been purchased for discount prices. Perhaps the most famous case is Seattle Slew, who won the 1977 Kentucky Derby en route to taking that year's Triple Crown. He cost just \$17,500 as a yearling.

"That's what makes the game intriguing," Pegram said. "The little guy has a chance."

Joe Durso from The New York Times wrote:

Four of the first five finishers in the Kentucky Derby, headed by Real Quiet and Indian Charlie, were headed for the Preakness Stakes on Sunday. But only four other horses seemed certain to contest the race, leaving the second leg of the Triple Crown with a field of eight probable starters — and room for more.

e Denounces  
s Doctoring  
Transcripts

## Youth Puts Jazz Past the Rockets

### Aging Houston Loses, Ending Drexler's Career

By Joe Drapé  
New York Times Service

SALT LAKE CITY — It was not exactly the way that Clyde Drexler wanted to end his Hall of Fame professional career: 1-for-13 from the field, 4-for-10 from the foul line, 6 points. But those were not the numbers that undid Drexler and the Houston Rockets on Sunday.

These were: Bryon Russell, 27 years old, and Greg Ostertag, 25.

Over five critical fourth-quarter minutes, the Utah Jazz's swingman and erratic

#### NBA PLAYOFFS

center made the Rockets look their age. They combined for 14 points, 6 rebounds, 5 blocked shots and 2 steals.

Fresh legs and raging energy turned a 65-62 street fight of a game into an 84-70 rout that put the Jazz in the second round of the National Basketball Association playoffs against San Antonio.

It also sent Drexler, soon to be 37, into retirement as a player and into the collegiate coaching ranks at his alma mater, the University of Houston.

"I don't know if it was the minutes and pains over a hard series, our injuries or our lack of depth," he said. "We just couldn't make it happen today."

It was at once painful and inspiring to watch as the Rockets tried to become only

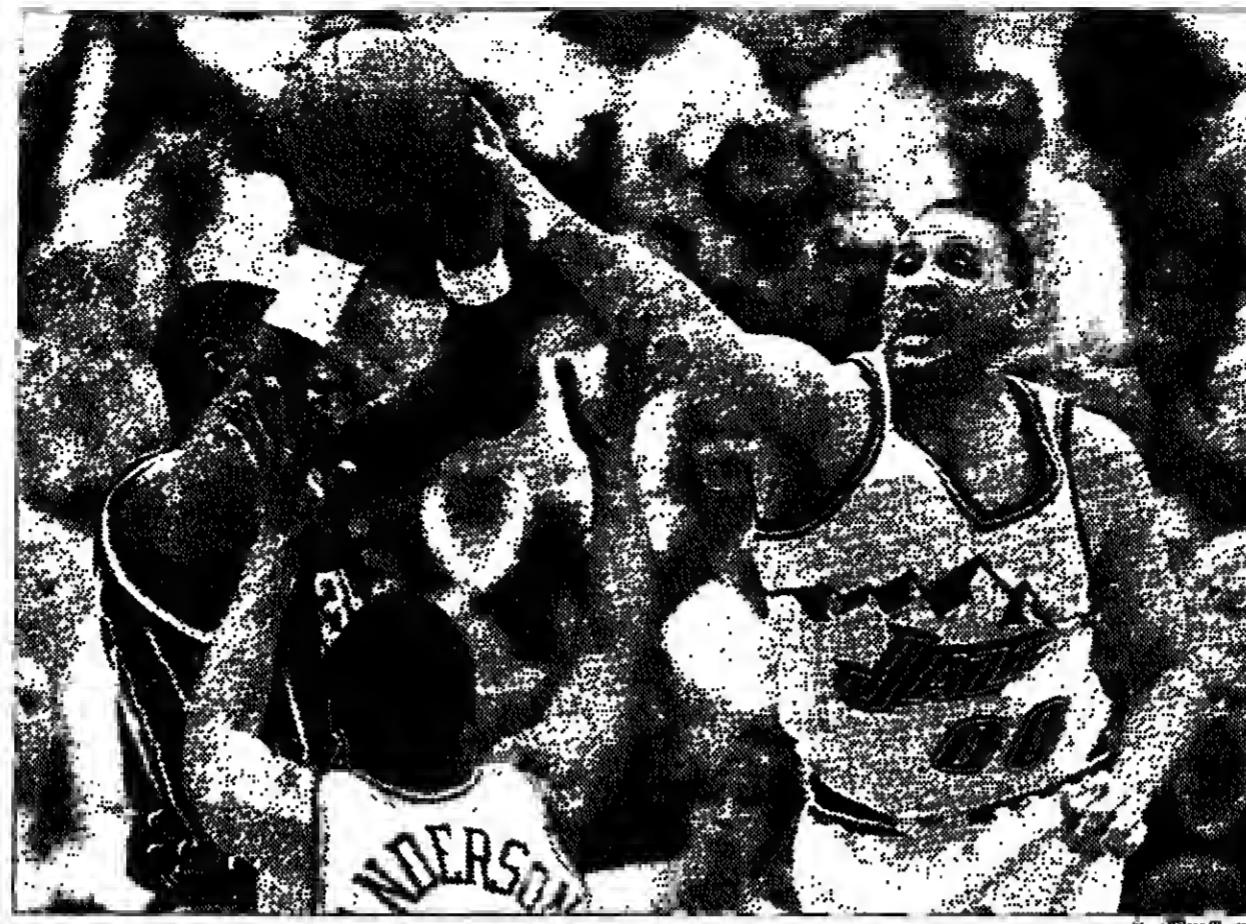
the second eighth-seeded team to eliminate a No. 1 in National Basketball Association playoff history. They had some numbers on their side for this fifth and deciding game: championships in 1994 and 1995, a record of 11-3 in games in which playoff elimination was at stake, and, in Drexler and Hakeem Olajuwon, a pair of future Hall of Famers to go head-to-head with the Jazz's pair, John Stockton and Karl Malone.

But the Rockets had more against them. Charles Barkley was in a suit on the sidelines with a torn triceps in his right arm. Wounded on the front line were Kevin Willis, Mario Elie and Olajuwon — all 35 and all nursing muscle pulls and bruises.

The Rockets never led, never could sustain momentum, and on the three occasions they got within 3 points, they looked like day-care workers run over by children at recess.

Malone dropped points and punishing elbows in solid finishing: 31 points and 15 rebounds. But Stockton did not get his first points until the final 3 minutes 30 seconds of the game, and finished with 4 and 10 assists.

The sequence that finally exposed the Rockets as a team with more heart than courage, spring and wind began in the fourth quarter after the reserve forward Eddie Johnson, himself just turned 39, willed a running jumper in from the corner to cut the Jazz's lead to 65-62. In a



Utah's Greg Ostertag, right, and Shandon Anderson, putting the heat on Houston's Hakeem Olajuwon.

Steve Wilson/Reuters

link, Ostertag was following Russell's missed dunk, slamming home the rebound for a 67-62 lead.

On the defensive end, Russell stripped Olajuwon, who had 15 points and was frustrated most of the day by double teams and by the fact that he could not explode into his jump hook or drop steps anymore after injuring his left knee in midseason. When the shot clock wound down to two seconds, Russell took a pass to the top of the key and hit a picture-perfect 3-pointed to extend the lead to 8.

It was over the next 140 seconds, however, that Ostertag and Russell willed the

Rockets for good. Ostertag, whom Malone has criticized for being distracted this season, stood in the lane and swatted away two of Olajuwon's point-blank dunk attempts, to the roaring approval of the capacity crowd at the Delta Center. Then he rammed down the middle of the floor in time to catch one pass from Russell, return it and get it back for a rim-rattling finish.

Glen Rice, who shot poorly

against the Bulls in four regular-season games, led the Hornets with 25 points, but he was just 9-of-25 from the field.

And the Bulls shut down burly Anthony Mason, who scored a playoff-best 29 points in a clinching first-round victory over Atlanta on Friday. Mason, banging in with Dennis Rodman and sometimes facing double teams, managed just six points and took only five shots.

Charlotte, which ran out to a 30-15 lead but was up only

one at the half, scored just 10 third-quarter points and finished with 32 in the second half.

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## Long Shot Pays For the Capitals

### 50-Footer by Bellows in Overtime Propels Washington to Round 2

By Rachel Alexander  
Washington Post Service

BOSTON — Brian Bellows' shot had a long way to travel — not just over the 50 feet of ice in the Boston Bruins' goal but over a decade of postseason trauma, a season of injuries and a young, aggressive team that had stretched the Washington Capitals in game after game of a best-of-seven National Hockey League first-round playoff series.

It was a long way to go, but not too far. Bellows' shot, 15 minutes 24 seconds into overtime Sunday, skipped

#### NHL PLAYOFFS

between the legs of the Bruins' goaltender, Byron Dafoe, hit the net and gave the Capitals not only a 3-2 victory in the game but a 4-2 victory in the series.

It put the Capitals in the second round of the playoffs for the first time since 1994. They go into their series against the Ottawa Senators as the highest-seeded team in the Eastern Conference semifinals.

The Montreal Canadiens eliminated the Pittsburgh Penguins on Sunday night, leaving the conference's top three regular season teams — No. 1 New Jersey, No. 2 Pittsburgh and No. 3 Philadelphia — out of the playoffs. Washington finished fourth and Ottawa eighth but it 3-1 against the Capitals. No. 6 Buffalo will meet No. 7 Montreal.

"This one was special,"

Moog said. "Now, anything's possible," said Vincent Damphousse, the Montreal Captain.

"The top three seeds are out. It just shows there's a lot of parity in the league right now."

Red Wings 5, Coyotes 2 In

Phoenix, Brendan Shanahan scored two goals and Steve Yzerman had a goal and two assists as Detroit overpowered the Coyotes.

The defending Stanley Cup champions advanced to the second round for the seventh straight postseason and will play either St. Louis or Colorado. Chris Osgood made 22 saves to win his third consecutive game and send the Coyotes to their seventh first-round exit in as many playoffs for the franchise since 1987.

The Red Wings outshot the Coyotes, 18-4, in the second period and scored three times to take a 4-2 lead into the third. Thirteen players scored for the Red Wings in the first round.

"We were that way all

through the regular season," said Kris Draper, a Detroit center. "We didn't have a 30-goal scorer, but we had a lot of guys with 10 goals or more."

## White Sox Beat Angels, 12-1, Snapping a Losing Streak

The Associated Press

Albert Belle broke out of his batting slump as the Chicago White Sox snapped their three-game losing streak.

Belle drove in six runs as Chicago won, 12-1, at Anaheim on Sunday night.

"I hope this is the beginning of a continued offensive outburst. We should be more consistent," said Jerry Manuel, the Chicago manager, sounding much like he did after his

#### BASEBALL ROUNDUP

team's previous victory, 16-7 over Baltimore on Wednesday.

Belle gave the White Sox a 1-0 lead with a run-scoring single in the first, made it 3-0 with a third-inning sacrifice fly and 6-0 with a three-run homer in the fifth, his sixth of the season. Belle added a run scoring double in the sixth off Greg Cadaret.

Yankees 10, Royals 1 In Kansas City, Paul O'Neill and Jorge Posada homered as the Yankees (20-6), off to their best start since 1958, won for the 19th time in 21 games.

Ramiro Mendoza allowed three hits in seven innings.

Mariners 10, Tigers 6 In Seattle, Dan Wilson hit the first inside-the-park grand slam in

Mariners history, and Randy Johnson (2-1) won his second straight start.

Edgar Martinez added a three-run homer for Seattle, which led 10-2 after two innings.

Indians 10, Devil Rays 8 Sandy Alomar hit a two-out, two-strike grand slam as Cleveland rallied from an 8-5 deficit in the ninth against visiting Tampa Bay.

Paul Sorrento hit the first grand slam in Tampa Bay history and went 4-for-5, driving in six runs.

Blue Jays 6, Athletics 3 Woody Williams, the Toronto starter, did not allow a hit until the sixth at Oakland.

A day after Roger Clemens took a no-hit bid into the seventh, Oakland did not get a hit until Scott Spiezio's leadoff homer in the sixth. Williams wound up allowing two runs and four hits in seven innings with six strikeouts and no walks.

In National League games:

Phillies 5, Astros 3 In Philadelphia, the Phillies turned two double plays in the final three innings, including one started on a stellar effort by second baseman Mark Lewis, as it snapped Houston's eight-game winning streak.

The Phillies' defensive gems helped make up for the two errors the Phillies made earlier in the game and the three they made Saturday.

Marlins 1, Padres 0 Rookie Jesus Sanchez

got his first career victory, combining with two relievers on a five-hitter as Florida won at home.

Expos 4, Diamondbacks 1 Dustin Hermann pitched a two-hitter and Vladimir Guerrero homered for the third straight game as visiting Arizona lost its sixth straight.

Giants 12, Braves 8 Rich Aurilia had the first two-homer game of his career, as San Francisco pounded Tom Glavine on its way to victory in Atlanta.

Aurilia hit a solo homer in the third, a run-scoring single in a four-run fourth and a two-run homer in the sixth to give Danny Darwin

the victory.

Cardinals 8, Cubs 5 In Chicago, Brian Jordan and John Mabry homered as St. Louis overcame a three-run, sixth-inning deficit to stop a three-game losing streak.

Mark McGwire, tied for second in the majors with 12 homers, was 0-for-3 with three strikeouts and two walks, raising his major league-leading total to 36.

Reds 5, Brewers 3 Brett Tomko (4-1) scattered eight hits in seven-plus innings and visiting Cincinnati made quick work of Cal Eldred.

Eldred, who entered the game with a 1.67 ERA, gave up five earned runs on nine hits and four walks in four innings.

In games reported in late Monday editions:

Red Sox 2, Rangers 1 Pedro Martinez shook off a two-game slump and shut down baseball's best hitting team in Boston.

Martinez struck out nine, walked two, allowed five hits in seven innings and overcame

three errors in the first three innings.

Orioles 2, Twins 0 Mike Mussina allowed two hits in 7 1/2 innings at Camden Yards in his return from the disabled list, and Baltimore beat Minnesota to win a series for the first time.

Mets 5, Rockies 2 In New York, John Olerud's sacrifice fly scored the go-ahead run after two errors by Colorado's infield set up New York's four-run eighth inning, helping the Mets snap a six-game losing streak.

The Rockies' infield committed three errors in the eighth, allowing the Mets to score four unearned runs.

Dodgers 10, Pirates 5 In Pittsburgh, Chan Ho Park helped himself with a two-run double as Los Angeles scored five runs in the second inning. Todd Zeile added a three-run home run and Park (3-0) pitched two-hit ball over five shutout innings as the Dodgers won their seventh in nine games.

Marlins 1, Padres 0 Rookie Jesus Sanchez

got his first career victory, combining with two relievers on a five-hitter as Florida won at home.

Expos 4, Diamondbacks 1 Dustin Hermann

pitched a two-hitter and Vladimir Guerrero homered for the third straight game as visiting Arizona lost its sixth straight.

Anson Carter, a former

#### CALVIN AND HOBBES

I TOLD MY TEACHER HOW YOU HELPED ME WITH MY HOMEWORK LAST NIGHT...

SHE SAID YOU GOT ALL THE ANSWERS WRONG...

SHE ASKED ME WHAT WE SHOULD DO ABOUT YOU...

I SUGGESTED LIFE IMPRISONMENT WITHOUT POSSIBILITY OF PAROLE...

YOU'LL BE GLAD TO KNOW I'VE ANALYZED YOUR POOR SKINNING IN THE POLLS...

I'LL BET...

IT'S...

IF ANYONE EVER NEEDED A SLICK AD CAMPAIGN, IT'S YOU...

LET ME GUESS WHAT YOU HAVE IN MIND...

THE NEW DAD I CALL IT...

WIZARD OF ID

KNIT A SWEATER AND SELL IT TO BUY FOOD?

WOW, AND I WAS JUST GUESsing...

I'M STARTING TO LIKE THIS KID...

A WORD OF ADVICE, SIRE...

WHAT'S THAT, ROD?

DON'T ORDER ANY VINTAGE WINE IN THIS PLACE...

CONGRATULATIONS! YOU MAY NOW BE ADDRESSED AS 'DOCTOR'...

OK, FILL IN THE BLANK...

2. GO...

3. HOW do you about that?

...OH...

...H...

